



THE BANK TO TRUST

PRINCIPLES FOR RESPONSIBLE BANKING

Self-Assessment Report

2023



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About This Report

This is the third progress report of the [Commercial International Bank \(CIB\)](#) on its implementation of the [UN Principles of Responsible Banking](#) (PRB, the Principles). CIB became a founding signatory of the PRB in 2019 to strengthen its contribution toward the [UN Sustainable Development Goals](#) and [the Paris Climate Agreement](#) and advance financial sector action on ESG and sustainability.

The report tackles CIB's progress on all Six Principles for the year 2022 and leverages the Bank's commitment for the NZBA and the commitment on Financial Health & Inclusion. This year's report reads as an excerpt of CIB's advancement on sustainability action and impact reporting which will be addressed in detail under the Bank's soon-to-be published Integrated Sustainability Report. While the integrated report will cover the annual sustainability reporting on other internationally recognized frameworks of the Bank, the PRB is informed by CIB's broader portfolio-relevant sustainability pursuits with consideration of unique national and regional challenges and needs.

Editorial Policy

This report summarizes PRB implementation at CIB during the reporting period. It has been prepared per the [UNEP-FI guidelines](#) and using the [official reporting template](#). The impact analysis used the [UNEP-FI Portfolio Impact Analysis Tool \(Version 3\)](#).

Forward-Looking Statements

This report contains forward-looking statements on various future estimations. Although they are based on what CIB's management believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove accurate, as actual results and future events could differ materially from those anticipated in such statements.

Additionally, ESG information is based on current or historic goals, targets, commitments, estimates, assumptions, standards, methodologies, and internal control frameworks and currently available data, which continue to evolve and develop.

Mistakes and Typographical Errors

Any errors discovered following the report's publication will be corrected and displayed on the Bank's website. CIB's reports are published as downloadable PDF files on the Bank's website.



Introduction

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Responsible Banking Journey

CIB has been advancing financial sector action on the integration of Environmental, Social, and Governance (ESG) dimensions, responsible banking, and sustainable finance for over a decade. In 2019, CIB became a core founding signatory of the Principles for Responsible Banking (PRB, the Principles), having actively participated in developing this framework.

Today's complex sustainability crisis requires transformative change toward an economic system aligned with planetary boundaries and human wellbeing. Banks are powerful actors on this journey, significantly impacting economic processes and finance flows and driving change. A responsible and impactful approach to banking should drive the economy toward sustainability, resilience, and prosperity.

To deliver on its Responsible Growth vision, CIB built on the Sustainability Systems Building method and set the Sustainable Finance (SF) Strategy, integrated within CIB's Corporate Strategy, ensuring a Bank-wide implementation of the sustainability mandate and addressing the six principles of the PRB. The SF strategy aims to create synergies between the Bank's diverse departments and mainstream sustainability Bank-wide through the introduction of eight SF System and Strategy Workstreams. The workstreams entail CIB's implementation arm ensuring the continuous integration and execution of the SF Policy and Strategy across the Bank. The workstreams comprise eight taskforces representing CIB's main lines of business and support functions, each addressing and ensuring the effective implementation of one or more of the PRB principles.

Understanding the manifold nature of climate and socioeconomic impacts on national and global levels has been the Bank's first step in aligning its

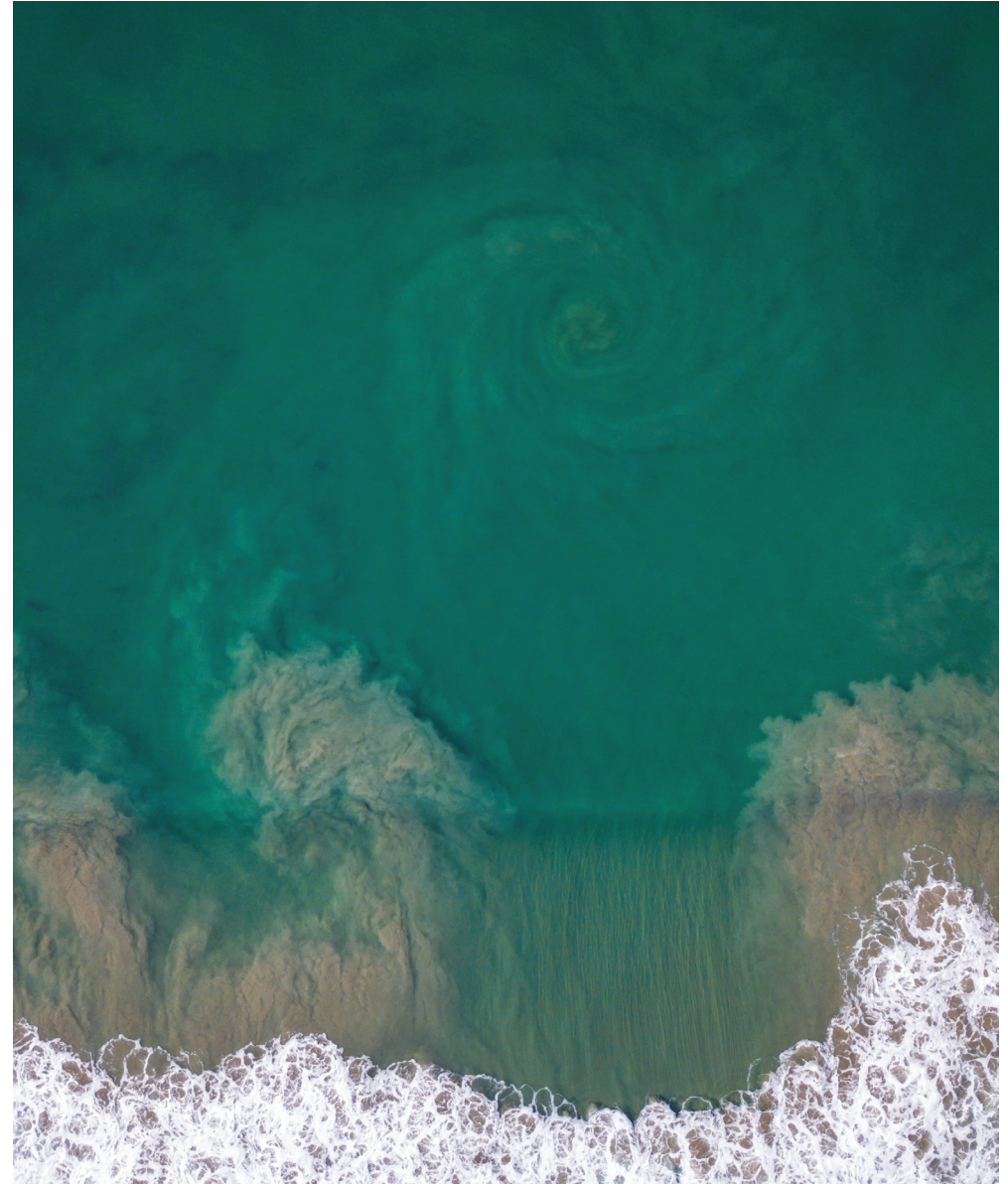
goals and strategy with international commitments and frameworks. CIB's implementation of the PRB not only complements but also advances its commitment to the United Nations Sustainable Development Goals (UN SDGs), the Paris Agreement, Africa Agenda 2063, Egypt Vision 2030, and the recently launched [United Nations Sustainable Development Cooperation Framework \(UNSDCF\) 2023 - 2027](#). Additionally, it serves as a crucial component of CIB's integration of internationally recognized ESG frameworks in developing and maintaining a holistic and future-fit approach to sustainability. By following a nested approach, CIB ensures that its national and regional frameworks contribute to international priorities while aligning with unique local challenges and needs. CIB specifically focuses on climate and socioeconomic advancements given its operational nature and impacts.

While the Bank aims to align to national, regional, and global ESG-related directions and requirements, it is imperative that it is able to report on and monitor the progress of its sustainable actions and strategy. As such, CIB ensures to report in line with widely recognized frameworks, such as GRI, SASB, TCFD, and UNGC, as well as the PRB, as this allows for unified reporting and disclosure. Additionally, the Bank's score on ranking platforms, such as the CDP, provides a quantitative foundation for benchmarking performance.

The Bank invests in building organizational capacity to ensure alignment with different commitments and frameworks, delivering both sustainability and business results and using each framework to inform different facets of its development.

In this report, CIB presents its progress on the implementation of the PRB six principles. During the reporting period, from 1 January to 31 December 2022, CIB re-assessed its status quo, identified new gaps and leverage points, updated its approach, and is currently working on developing two high-level action pathways toward sectoral decarbonization and financial inclusion. Both pathways, anchored in by CIB's Corporate Strategy, serve to strengthen the Egypt National Climate Change Strategy 2030 and CBE Financial Inclusion Strategy 2022–2025.

This report summarizes CIB implementation of the PRB in line with the official reporting template and with the help of updated impact assessment using tool Version 3. The assessment has enabled CIB's lines of business to identify their potentially significant positive and negative impact areas. The report has been prepared as part of the CIB transition toward integrated reporting and efforts to exemplify excellence in transparency and accountability. Readers will find a broader and deeper overview of the Bank's ESG and financial performance in the upcoming integrated report.



Sustainability Frameworks



CIB has been reporting by the Global Reporting Initiative (GRI) standards since 2015.



Since 2015, CIB has used SASB to monitor financially material ESG topics, leading with a focus on enhancing governance, data security, business ethics, and systematic risk management.



CIB has been a member of the UNGC since 2021 and strongly adheres to its Ten Principles.



The Bank has been aligning with the TCFD framework since 2021.



CIB achieved a B-score (management level) for its action on climate change from CDP



CIB adopted the Equator Principles in April 2021 to ensure that the projects it finances are developed in a manner that is socially and environmentally responsible.



CIB released its first comprehensive Principles for Responsible Banking (PRB) Progress Report in 2021.



CIB has been aligned with the Principles for Responsible Investment since 2021.

Financial Health & Inclusion Commitment

CIB started its commitment to Financial Health and Inclusion in 2022 to promote universal financial inclusion and foster a banking sector that supports the financial health of all customers.



In April 2021, CIB joined the Net-Zero Banking Alliance (NZBA) as a founding signatory.



In 2020, CIB was the first bank in Egypt and the MENA region to be awarded the Egyptian Gender Equity Seal.

Closing the Gender Gap Accelerator

Co-chairing the national public-private collaboration model launched by Egypt's Ministry of International Cooperation, the Egyptian National Council for Women (NCW), and the World Economic Forum.



Bloomberg Gender Equality Index



FTSE4Good
FTSE4Good



PRINCIPLE 1: ALIGNMENT

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**Principle 1: Alignment**

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the SDGs, the Paris Climate Agreement, and relevant national and regional frameworks.

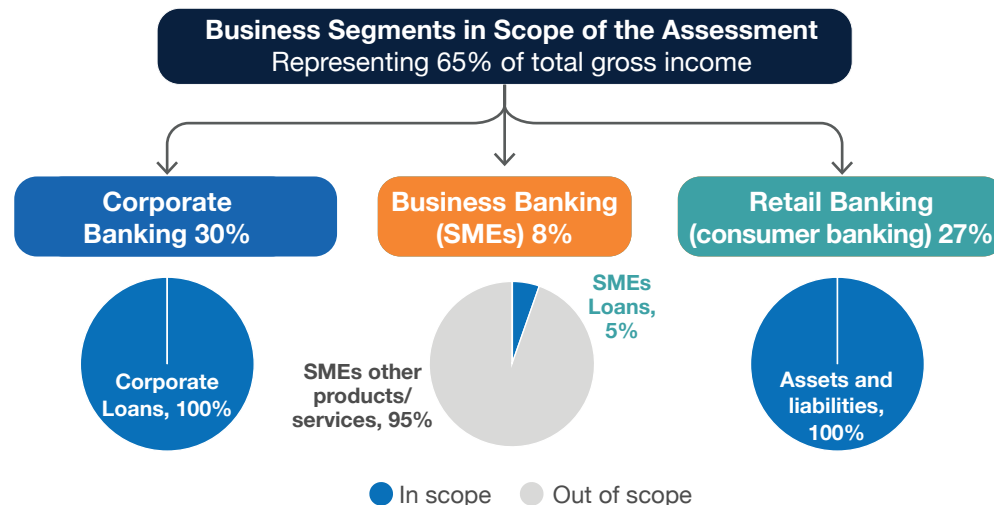
1.1 Business Model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, and the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g., the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

CIB Business Model:

CIB's business model is set toward the creation of shared value to all stakeholders through utilizing its resources to serve key strategic objectives, taking into consideration the internal and external factors affecting the business.

With 1.9+ million clients in Egypt, CIB offers its customers a broad range of financial products and services, covering Consumer Banking, Business Banking and Corporate segments, among others. Of the Bank's total gross income in 2022, 30% were attributed to Corporate Banking, 27% to Consumer Banking, 8% to Business Banking (SMEs), 21% to Investment activities, and 14% to Asset Liability Management.



Website: ir.cibeg.com

▪ [CIB Separate Financial Statements \(December 2022\)](#)

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**Principle 1: Alignment**

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the SDGs, the Paris Climate Agreement, and relevant national and regional frameworks.

1.2 Strategy Alignment

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the SDGs, the Paris Climate Agreement, and relevant national and regional frameworks.

CIB is aligned with the UN SDGs, the Paris Climate Agreement, Egypt Vision 2030, the recently launched UNSDCF 2023–2027, Egypt's National Climate Change strategy, and the CBE's Financial Inclusion Strategy 2022–2025 as part of its growth strategy.

CIB's Alignment With National & Regional Sustainability Frameworks:

CIB's SF strategic direction is incorporated within the Bank's corporate strategy. At the international level, the Bank has aligned its strategy and governance with the UN SDGs and the Paris Climate Agreement. The recently launched Egypt-UN partnership addresses four key pillars that will support the sustainable development of the country. The pillars cover the following: Inclusive Economic Development, Social Justice, Environmental Sustainability and Natural Resource Management, and Women's Empowerment.

The Bank further subscribes to multiple international ESG frameworks and coalitions contributing to those agendas, detailed in [6.2. Reporting Frameworks](#) of this report.

At the national level, CIB has aligned its strategic plan with the Egypt Vision 2030, Egypt's National Climate Change strategy, and the CBE's Financial Inclusion Strategy 2022–2025.

CIB complies with the regulatory requirements on sustainable finance and responsible banking, including:

- CBE Circular on Sustainable Finance Regulation No. 737, issued 3 November 2022
- CBE Circular on Guiding Principles on Sustainable Finance, issued 18 July 2021
- FRA Decree 107 and 108, passed in 2021

The Bank's Frameworks Operational Manual serves as guidance for internal stakeholders to facilitate implementation, reporting, and monitoring of CIB's sustainable practices and framework reporting.

Reporting & Beyond:

CIB's signed commitments and frameworks have been selectively chosen in the best interest of addressing investor aspirations, national regulations, and fulfilling CIB's strategy.

Accordingly, the Bank has developed an operational manual to facilitate the implementation, reporting, and monitoring processes of its sustainable practices and framework reporting. This Manual serves as guidance to all relevant internal stakeholders and constitutes an integral part of CIB's SF System Building. It ensures the strategic realignment of portfolios for the low-carbon transition, socioeconomic convergence, and product development to finance the SDGs.

Additional external public references:

- 🌐 [Sustainable Finance – Our Approach](#)
- 🌐 [Sustainable Finance Policy Statement](#)
- 🌐 [Investor Relations Presentation Q4 2022](#)
- 🌐 [ESG Investor Relations Presentation Q4 2022.](#)
- 🌐 [Financial Statement](#)

More details on alignment with the SDGs and the Paris Agreement can be found in the Impact Assessment (See Annex 1).

For data on the Bank's strategic alignment with the National Priorities, see Annex 3.

More information about CIB's workstreams can be found in the Bank's [2021 Sustainability Report](#) under "Workstreams" (p.18).



Principle 2: Impact and Target Setting

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**Principle 2: Impact and Target Setting**

We will continuously increase our positive impacts while reducing the negative impacts on people and the environment, as well as managing their risks, which result from our activities, products, and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis

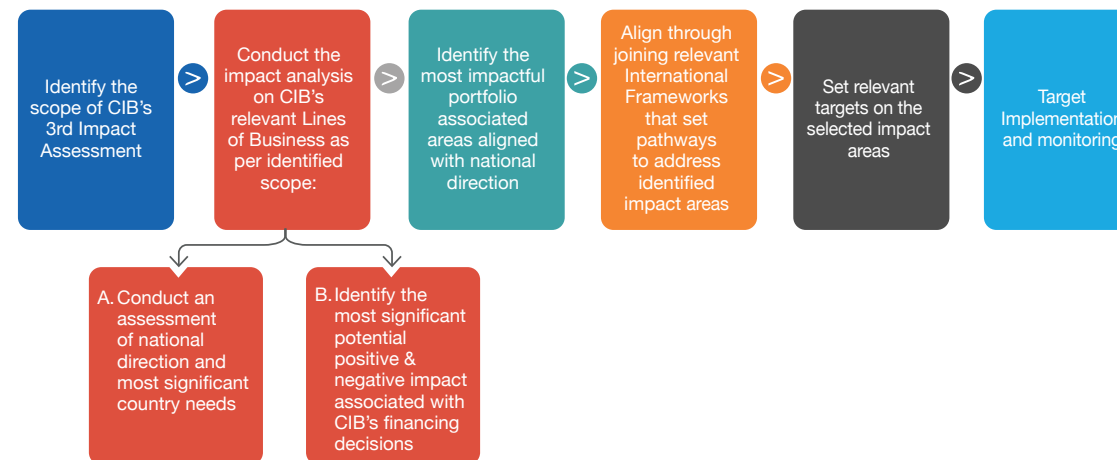
Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:

- a. **Scope:** What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.
- b. **Portfolio composition:** : Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope
 - i. by sectors and industries for business, corporate, and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
 - ii. by products and services and by types of customers for consumer and retail banking portfolios

CIB performs a holistic impact assessment of its Corporate, Business, and Consumer Banking portfolio, following a six-step process to identify material issues and set context-relevant targets

CIB has leveraged the UNEPFI [Portfolio Impact Analysis Tool \(Version 3\)](#) ("tool") to conduct its third materiality assessment, identifying the most significant positive and negative impacts of its financing decisions.

The figure below provides CIB's target-setting process:

**1. Identifying the scope of CIB's Portfolio Composition:**

CIB's Impact Assessment covers 65% of gross income generated in 2022.

CIB's portfolio impact assessment covers its Corporate, Business, and Consumer Banking portfolios, which collectively constitute 65% of the total gross income generated in 2022.

While CIB's Corporate and Business Banking full lending portfolios reached approximately EGP 221 billion as of 31 December 2022, the Bank's Consumer Banking Assets and Liabilities portfolio reached EGP 311 billion and were considered to their entirety within this year's portfolio impact assessment.

Detailed information on scope, portfolio composition, context, and performance measurement can be found in Annex 1.

CIB's Corporate and Business Banking Impact Areas Country Level Indicators are presented in Annex 2.

Further details on CIB's portfolio financed emissions assessment is found in the report: [Advancing the Transition to Net-Zero: Corporate Loan Portfolio Financed Emissions 2021.](#)

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



If your bank has taken another approach to determine the bank's scale of exposure, please elaborate to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

c. Context What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis

Based on these first three elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy.

The below tables depict the scope of products and industries assessed:

Corporate and Business Banking lending portfolio segments in descending order by portfolio share:

 Petroleum	 Tourism	 Construction	 Telecom	 Manufacturing of Food and Beverages	 Real Estate
 Power Generation	 Electronics	 Nonbank Financial Institutions	 Textiles	 Pharmaceuticals	

Consumer Banking Product portfolio in descending order by portfolio share:

 Assets	Consumer Loans and overdraft	Home loans/ Mortgages	Credit Cards	Auto Loans
 Liabilities	Certificates of Deposits	Savings Accounts	Current Accounts	

Given the nature of the remaining segments and activities, they will not be included in the impact assessment. The Bank will maintain a diligent eye on any changes within its portfolio and amend its reporting scope accordingly.

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d. Performance measurement

Has your bank identified which sectors and industries, as well as types of customers financed or invested in, are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

2. Conducting an Impact Analysis on CIB's relevant LoBs

National sustainability-relevant needs demand that banks address socioeconomic development, fair access to economic and labor opportunities, and climate finance within their financing decisions.

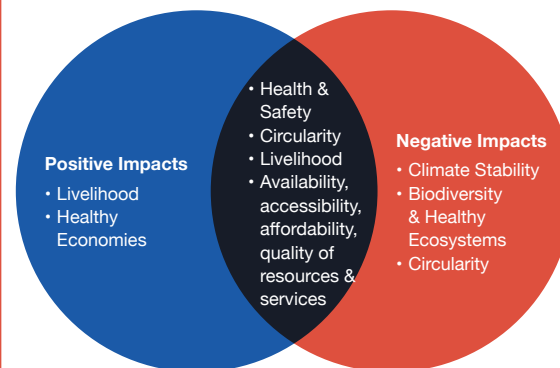
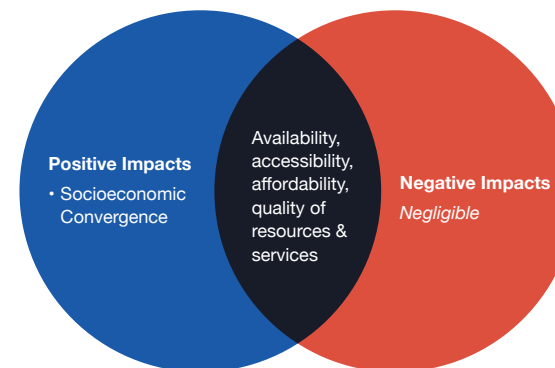
a. National Context Configuration

The Bank has been able to assess the level of country needs by using the Portfolio Impact Assessment tool found in more details in [Annex 2](#) as well as tracking relevant strategies and building on CBE strategic direction. The following most relevant sustainability-linked challenges apply:

1. Availability, Accessibility, Affordability, Quality of Resources and Services
2. Climate Stability
3. Equality and Justice

b. Identification of most significant potential portfolio impacts

CIB then identified its portfolio impacts to be able to identify and set its target areas. Through the UNEPFI tool, the Bank determined that its portfolios were strongly associated with the following impacts:

Corporate & Business Banking Potential Impacts**Consumer Banking Potential Impacts**

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Other significant impact areas identified during the impact analysis process have been analyzed considering the country needs assessment and national context and will be monitored to ensure that negative impacts are mitigated, while positive impacts are strengthened.

Further details on how CIB works to address its negative impacts and enhance its positive impacts are specified later on under “[A1.3 Performance Measurement](#)” in [Annex 1](#).

To identify the most relevant areas on which to set targets, the Bank assessed the intersection of Egypt's most relevant strategies with CIB's most impactful areas. Based on the following, CIB was able to identify its target areas:

The “+ -” signs in the table below refer to the impact area appearing as either positive (+), negative (-), or both (+ & -) relevant to either the Corporate, Business, or/and Consumer Banking portfolios.

CIB Negative and Positive Impact Areas	Definition	Relevant Impact Sectors	National strategies targeting each impact area
(-) Climate Stability	Being a direct factor contributing to climate change, human activities related to greenhouse gas (GHG) emissions need to be addressed to ensure Climate Stability can be achieved.		<ul style="list-style-type: none"> • Egypt Vision 2030. • National Climate Change Strategy 2050. • Egypt's First Updated Nationally Determined Contributions (2022) • UNSDCF 2023 - 2027
(-) Circularity	Circularity is the model of production and consumption that involves the efficient use of limited and non-renewable resources, as well as the ability to control, reduce, and manage waste.		<ul style="list-style-type: none"> • Egypt Vision 2030.
(-), (+) Health and Safety	The population's ability to live in a state of complete physical, mental, and social wellbeing.		<ul style="list-style-type: none"> • Egypt Vision 2030. • National Human Rights Strategy 2021-2026 • UNSDCF 2023 - 2027

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**CIB Negative
and Positive
Impact Areas****Definition****Relevant Impact
Sectors****National strategies
targeting each impact
area**

(-), (+) Livelihood

The population's accessibility to full and productive employment and decent work.



- [Egypt Vision 2030](#),
- [National Human Rights Strategy 2021-2026](#),
- [CBE's Financial Inclusion Strategy 2022-2025](#)
- [UNSDCF 2023 - 2027](#)

(-), (+) Availability,
Accessibility,
Affordability,
Quality of
Resources and
Services

The population's ability to access resources and services that pertain to their individual needs.



- [Egypt Vision 2030](#),
- [National Human Rights Strategy 2021-2026](#),
- [National Strategy for the Empowerment of Egyptian Women 2030](#),
- [CBE's Financial Inclusion Strategy 2022-2025](#)
- [UNSDCF 2023 - 2027](#)

(-) Biodiversity
and Healthy
Ecosystems

Variety of living organisms from all sources, including terrestrial, marine, and aquatic ecosystems and the ecosystems they are part of.



- [Egypt Vision 2030](#),
- [Egyptian Biodiversity Strategy and Action Plan \(2015-2030\)](#)

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**CIB Negative
and Positive
Impact Areas****Definition****Relevant Impact
Sectors****National strategies
targeting each impact
area**

(+) Socioeconomic
Convergence

Ability of countries to reduce
inequality at the individual and
population levels.



- [Egypt Vision 2030.](#)
- [National Human Rights Strategy 2021-2026.](#)
- [National Strategy for the Empowerment of Egyptian Women 2030.](#)
- [CBE's Financial Inclusion Strategy 2022-2025](#)
- [UNSDCF 2023 - 2027](#)

Note on the use of the Portfolio Impact Analysis Tool:

The release of Version 3 of the Impact Analysis Tool was accompanied by updates in impact areas categorization, definitions, and changes in some sector classifications. This caused changes to CIB's impact analysis results in terms of its identified key positive and negative impact areas.

For further details, please refer to "[Table 1. Identified Significant Impact Areas \(Impact Analysis Tool Version 2 vs. Version 3\)](#)" in Annex 1.

3. CIB Pathways for Change

CIB set Climate Action and Financial Inclusion as its two pathways for change.

Building on previous and current impact analysis outcomes, national context, strategies, and internal stakeholder engagement, the Bank identified **Climate** and **Financial Inclusion** as two significant impact areas of a total of seven identified overlapping impact areas, upon which targets shall be set and monitored. While Climate impacts will be addressed under Corporate Banking, Financial Inclusion will fall under Consumer Banking.

¹ Covering Availability, Accessibility, Affordability, Quality of Resources and Services, as well as Socioeconomic Convergence topics of the national challenges identified.

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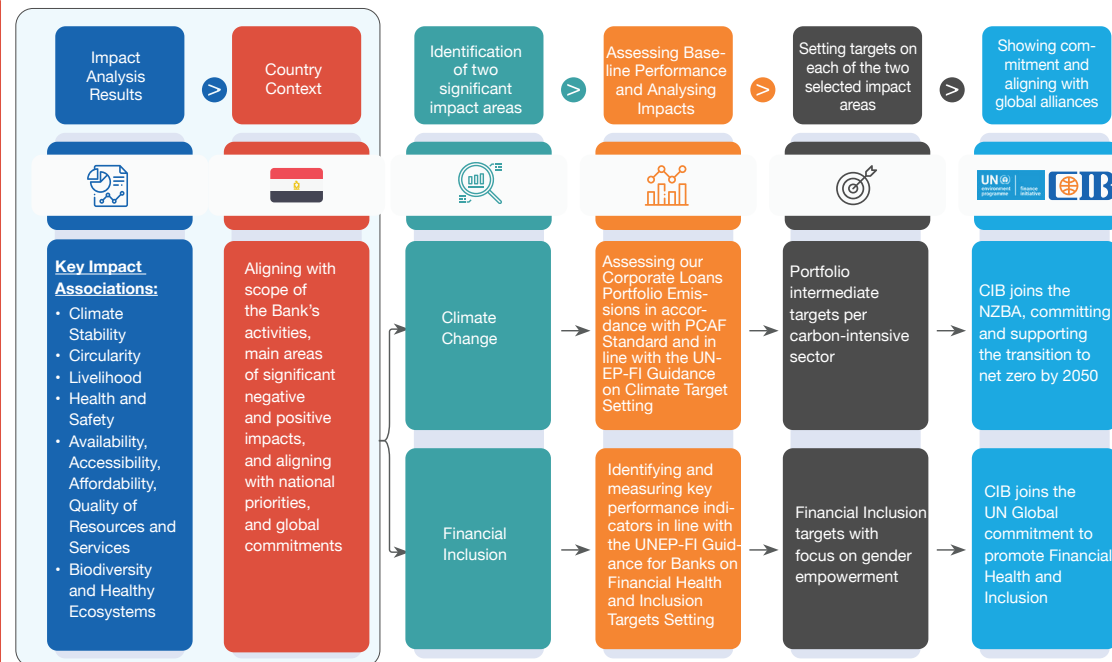
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The figure below presents an overview of CIB's portfolio impact identification, assessment, and target-setting methodology:



Note: While Climate has been a previously identified and further reinforced impact area, CIB has deemed Financial Inclusion as a more relevant impact topic than the previously identified Gender topic, as this serves a wider impact need and more diverse consideration. Accordingly, and as per the definition of financial inclusion within the national context, CIB will focus on financial inclusion through a measure of channels targeting unbanked, underbanked, and disadvantaged people, including females, as well as rural areas.

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Principle 2: Impact and Target Setting

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2.2 Target Setting

Show that your bank has set and published a minimum of two targets that address at least two different areas of most significant impact that you identified in your impact analysis.

The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant, and Time-bound (SMART). Please disclose the following elements of target setting (a–d), for each target separately:

- e. Alignment:** which international, regional, or national policy frameworks to align your bank's portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate SDGs, the goals of the Paris Agreement, and other relevant international, national, or regional frameworks.
- b. Baseline:** Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used, as well as the year of the baseline.

4. Target Setting

a. Alignment: Alignment:

**CIB's Climate action pathway leverages its NZBA commitment and TCFD adoption.
CIB's Commitment on Financial Health and Inclusion pathway aligns with the CBE commitment.**

Climate

CIB targets have been developed with consideration of its most significant positive and negative impact areas, stakeholder feedback, as well as national context, strategic priorities, and international frameworks and agendas that consider identified baselines and KPIs related to the Bank's Climate commitment, being a signatory in the NZBA. Further information on CIB's [NZBA](#) progress can be found on our [website](#).

CFHI

CIB's financial inclusion targets will aim to align Consumer Banking activities with the CBE Financial Inclusion Strategy.

The Bank's priority target audiences include women, underbanked and unbanked segments of society, rural areas, youth, and people with disabilities. This is in line with the CBE's priorities, focus areas, and initiatives. National strategies and policies that CIB aligns with include CBE's Strategy, Regulations of Mobile Wallets, Regulations for Prepaid Cards, Regulations for Bank Agents, and Regulations for People with Disabilities. CIB will publish its financial inclusion targets in line with the commitments' timeline.

a. Baseline:

CIB has identified 2021 as the baseline year for both targets.

Climate:

CIB followed the methodology of the PCAF standard to assess the portfolio baseline emissions associated with its corporate loans for two carbon intensive sectors, namely power generation and real estate.

The Bank will look at the below KPIs to monitor and enhance its performance:

- New Clients' Portfolio
- Utilization of Product Offering
- Sustainability-Related Products
- Technical Assistance
- Advocacy and Education (Internal & External)

For further details on the Bank's Climate KPIs, please refer to CIB's NZBA report.

Further details on the KPIs identified and the Bank's alignment with the CBE's requirements are presented in [Annex 3 – Alignment with National Priorities](#)

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**Principle 2: Impact and Target Setting**

We will continuously increase our positive impacts while reducing the negative impacts on people and the environment, as well as managing their risks, which result from our activities, products, and services. To this end, we will set and publish targets where we can have the most significant impacts.

c. SMART targets (incl. key performance indicators (KPIs): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress toward reaching the target? Please disclose.

d. Action plan: which actions, including milestones, have you defined to meet the set targets? Please describe.

Please also show that your bank has analyzed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

CFHI

Given the CBE's direction and in accordance with the CFHI, a strong focus will be set on new-to-bank (NTB) customers and the channels provided for the un/underbanked.

As of now, CIB has identified six main KPIs in line with the commitment. The following metrics will be covered:

- Education
- Product & Services Offered with Focus on Financial Inclusion
- Ongoing Partnerships
- Number of New Customers
- Digital Platform Utilization

For more details on and definitions of CIB's financial inclusion KPIs, please refer to "[Table 5. CIB's Financial Inclusion KPIs](#)" in [Annex 1](#).

C. SMART Targets:

CIB set its Intermediate 2030 Climate Targets for two of the Bank's carbon-intensive sectors, power generation and commercial and residential real estate, as a first round of target setting.

CIB is working on setting a Financial Inclusion Target covering all NTB.

As part of CIB's commitment to promoting sustainable business practices, the Bank is developing a decarbonization plan focused on the most impactful sectors. CIB acknowledges that setting climate targets could potentially affect its business, which is why extensive ongoing discussions are taking place before setting targets. The Bank's decarbonization journey is based on creating tangible customer opportunities for sustainable transition. In this regard, CIB will not reject customers due to general sustainability conditions in a given industry. Instead, the Bank encourages its customers to work toward a more sustainable direction and leverage the concessional financing programs that CIB extends to its clients. This approach is in line with the Bank's commitment to supporting sustainable development and facilitating the transition to a low-carbon economy.

d. Action Plan:

CIB put forth a comprehensive plan to address climate change through the full implementation of the ESRM, as well as TCFD integration, in risk analysis, and target-setting according to NZBA.

The Bank defined strategic priorities to build momentum across five areas of action: awareness, learning, support, innovation, and perpetual improvement to advance on its Financial Inclusion pathway.

CIB will devise an action plan once its targets are finalized. However, given the direction and expected outcome of each commitment, the Bank has already set and is continuously working on improving its activities and actions related to climate and financial inclusion.

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**Principle 2: Impact and Target Setting**

We will continuously increase our positive impacts while reducing the negative impacts on people and the environment, as well as managing their risks, which result from our activities, products, and services. To this end, we will set and publish targets where we can have the most significant impacts.

The below provides a summary on CIB's current measures:

Climate

1. Setting a Climate Finance strategy
2. Implementation of CIB's SF Policy through dedicated eight cross-functional workstreams
3. Establishment of a robust ESRMS system in line with IFC and EBRD performance standards
4. Collaborations with MDBs, such as IFC and GlZ, to conduct market assessments and launch new sustainable finance products
5. Internal and external capacity building as a means of empowering CIB's client base to progress toward low-carbon economy

Financial Inclusion

1. Implementation of CIB's SSF Policy through dedicated eight cross-functional workstreams
2. Expanding the use of digital financial services
3. Extending microfinance loans to under and unbanked segments of society through extending credit facilities to microfinance companies who act as intermediaries
4. Internal and external capacity building as a means of enhancing financial literacy
5. Consumer protection and building consumer trust in the banking sector and expanding financial literacy
6. Providing the access and use of financial services (banking and non-banking) for all segments of society, according to customers' needs

2.3 Target Implementation and Monitoring

For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target. Report on your bank's progress since the last report toward achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

3. Target Implementation and Monitoring

Progress will be provided on an annual basis once targets are set.



Principle 3: Clients & Customers

Client Engagement

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Business Opportunities

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Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client Engagement

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement, and, where possible, the impacts achieved.

SUSTAINABLE ADVOCACY AND CLIENT ENGAGEMENT ACROSS DIFFERENT LoBs:

CIB's Sustaining Sectors program aims to empower, educate, and support clients in integrating sustainable practices while leveraging their growth.

As part of CIB's SF Strategy, client engagement and sustainability advocacy are considered as an enabler for client awareness and supporting their transition toward more a sustainable business model.

In this respect, the Bank has progressed on the following in 2022:

Corporate Clients Engagement:

CIB's **Sustaining Sectors** is a multi-stakeholder, knowledge- and action-oriented program equipping businesses with the necessary tools, capacity-building training, and financial products to transition toward a low-carbon and circular economy. Through workshops, sector heads and industry specialists receive access to capacity-building sessions, certification opportunities, and expert speakers in their respective fields.

Leveraging its internal and external ecosystem, CIB launched three sectoral awareness sessions addressing Construction and Real Estate, Food and Beverage, and Textile industries.

SME Client Engagement:

In October 2022, CIB launched its Sustaining SMEs program, a multi-purpose platform seeking to provide SMEs with capacity building, certification, and SF tools to aid their sustainable growth.

Multiple initiatives aimed at increasing SMEs' financial resilience were launched, including "Growing Together", "She's Next", and "Women in Business". The "Growing Together" educational series aims to equip SME business owners with the knowledge to advance and revitalize their businesses and concurrently raise awareness about the CIB Business Solutions program.

Financial Inclusion Engagement:

Over the years, numerous financial inclusion awareness campaigns were facilitated through digital and on-ground activations and awareness sessions promoting financial inclusion and literacy.

CIB aims to develop and enhance its communication efforts and continue launching sustainability awareness sessions to support its clients' transition toward socioeconomic and environmental wellbeing.

2 Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

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Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.2 Business Opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency), and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

The Bank aims to support its clients in their transition journey through offering a portfolio of well-structured financial and non-financial services as reflected below.

On the Corporate and Business Banking levels, CIB offers the below financing mechanisms:CIB – USD 100 Million Green Bond

The “Green Bond” finances projects that promote sustainable solutions to climate change, including renewable energy, industrial energy efficiency, green buildings, and resource efficiency. It supports Egypt's economy, increases the share of renewables in Egypt's energy mix, mainstreams green buildings across the country, and further develops resource efficiency best practices in the industrial sector. The issuance of this green bond has been fully subscribed to by the IFC, with a value of USD 100 million.

Sustainability-Linked Loan (SLL)

CIB's “Sustainability-Linked Loan” was approved in 2022, catering for the growing market appetite for sustainable finance in the corporate community. SLL incentivizes sustainability performance by offering preferential interest rates linked to sustainability outcomes, thereby supporting corporate clients' efforts to improve their sustainability profile at attractive finance rates. In 2023, CIB issued a portfolio of 12 sustainable finance offerings accessible through SLL and other sustainable finance programs.

Egyptian Pollution Abatement Project (EPAP III)

The Bank has actively participated in the EPAP III, aligning industrial actors with internationally recognized pollution management standards and best practices. It assists in decreasing the pollution load generated by industries to improve environmental conditions. The project targets public and private industrial companies to finance pollution abatement investments through lines of credit intermediated by local, participating commercial banks.

Environmental Compliance Office Project (ECO)

The project is funded through the Danish government and coordinated with the GoE. The project focuses on financing the purchase of machines, equipment, construction work, and designs required for projects with an environmental protection impact or that are related to energy efficiency.

More information about CIB's initiatives can be found on the Bank's website:

- [Sustainable Finance section](#)
- [ESG Products](#)
- [Climate Financing Products](#)
- [CIB's Green Bond Framework](#)
- [Second Party Opinion on the sustainability of CIB's Green Bond Framework](#)

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Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Agricultural Development Program (ADP)

This program has played a pivotal role in developing the Egyptian agricultural sector and markets with a focus on supply chains, raising awareness, and improving access to finance for SMEs. The program aims to establish, expand, and modernize these businesses primarily, but not exclusively, in post-harvest activities, agricultural input supply, and marketing.

Veterinary Service Program (VSP)

The Ministry of Agriculture and the European Commission (EC) collaborated to improve the productivity of the livestock sector in Egypt, with a focus on assisting the GoE in improving the management and quality of animal health services.

Buffalo Fattening Program (BFP)

This program plays a major role in improving the production and supply of red meat in the Egyptian market. It is a joint effort by the Ministry of Agriculture and the US government.

Environment Protection with KfW (Public Private Sector Project – PPSI)

The program enables the reduction of environmental pollution from industrial production by ensuring that industrial firms and business enterprises have the proper assistance to invest in industrial pollution abatement technologies. The program contributes to reducing the emission loads per national standards. It targets public and private enterprises and SMEs.

On the Consumer level, CIB offers the below financial services, either directly or indirectly:

Financial Inclusion

CIB is positioned as a major microfinance market enabler. The Bank's market share sits on top of a creditworthy portfolio that empowers Microfinance Institutions (MFIs) via financial and non-financial services, enhancing the capabilities of female and non-bankable entrepreneurs. In line with its strategy, CIB has introduced additional financial products, such as management solutions and securitization, to support the growth of MFIs by leveraging capital markets and cash.

Additionally, CIB has robust product offerings made available through digital and conventional means for unique individuals. The Bank's main target groups and audiences are youth, women, disabled individuals, and farmers.

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Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

To mainstream sustainability Bank-wide, CIB also engages in the following initiatives both on the Corporate and Business Banking levels:

Cooperation Agreement with the GIZ

CIB signed a cooperation agreement with the GIZ for Empowering and Promoting Sustainable Finance within the Financial Sector in Egypt, with the purpose of providing a holistic framework to support its SME clients.

Business Solutions Program

A program to help companies better manage their businesses and grow through offering a league of third parties in several industries and sectors to offer their products and services to CIB's clients.

Growing Together Initiative

The Growing Together Initiative is launched to help establish sustainable business models in numerous ways that go beyond traditional financial services, building on the existing non-financial services program "CIB Business Solutions" and paying up to 80% of customer invoices.

CIB will continuously seek to offer its clients innovative financial and non-financial products and services to scale sustainability.



Principle 4: Stakeholders

Stakeholder Identification and
Consultation

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Principle 4: Stakeholders

We will proactively and responsibly consult, engage, and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder Identification and
Consultation

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved, and how they fed into the action planning process.

Transparency and accountability are at the heart of CIB's communication with its stakeholders. CIB engages stakeholders on an ongoing basis to mainstream its programs, embed its strategies, and enact feedback.

CIB's stakeholder engagement plan did not change regarding identification, process, or stakeholder categorization. Meanwhile, the channels, frequency, and engagement topics are revisited annually for each reporting cycle. The Bank's communication channels maintained their course regarding compliance with national laws, contractual terms, policies and regulations, and sustainability commitments.

CIB regularly consults with policymakers and forms partnerships with governmental and regulatory bodies, the private sector, suppliers, non-profit organizations, and external verifiers and auditors to empower its clients with the knowledge and funds that enable them to transition to more sustainable practices. The Bank also regularly organizes discussions and panels featuring top experts from across different, heavy-industry sectors that the Bank finances to discuss current trends, challenges, risks, and opportunities.

The Bank collaborates with clients, ministries, multilateral development banks (MDBs), and DFIs to ensure alignment and advocate for and add to its existing sustainable finance offerings. CIB maintains its fiduciary responsibility toward its investors and stakeholders and is keen on creating value and generating returns.

CIB stakeholders include, but are not limited to:

Category	Stakeholder	Purpose of Partnership
Development Financial Institution	<ul style="list-style-type: none"> • IFC • EBRD • African Development Bank • Proparco 	<ul style="list-style-type: none"> • Funding and technical assistance
Multilateral Development Partners	<ul style="list-style-type: none"> • GIZ • KFW 	<ul style="list-style-type: none"> • Capacity building, technical assistance, and on-job training and engagement

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**Principle 4: Stakeholders**

We will proactively and responsibly consult, engage, and partner with relevant stakeholders to achieve society's goals.

Category	Stakeholder	Purpose of Partnership
International Organizations/ Initiatives	<ul style="list-style-type: none"> • UNEP-FI (CFHI – NZBA – PRB) • GFANZ • WEF • CDP 	<ul style="list-style-type: none"> • Frameworks and reporting guidance and assistance • A comprehensive architecture of internationally acclaimed frameworks that ensure the Bank's policies and operations are aligning with its thematic commitments and international standards • Reporting guidance and assistance
Governmental & Regulatory Bodies	<ul style="list-style-type: none"> • Central Bank of Egypt (CBE) • Financial Regulatory Authority (FRA) • Ministry of Environment (MOE) • Egyptian Bank Federation 	<ul style="list-style-type: none"> • Regulatory Bodies that issue policies and guidelines with regards to SF practices and disclosures • Collaborations with ministries and governmental entities to advance SF
Academia	<ul style="list-style-type: none"> • Nile university • AUC • IIF • The Egyptian Banking Institute (EBI) 	<ul style="list-style-type: none"> • Round Tables and Capacity Building sessions and R&D • Sustainable Finance Advocacy
The Bank is keen to strengthen and expand its network of stakeholders, leveraging their expertise to scale the Bank's sustainability agenda and creating real value nationwide.		



Principle 5: Governance & Structure

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Principle 5: Governance and Culture

We will commit to these principles through effective governance and a culture of responsible banking.

5.1 Governance Structure for
Implementation of the Principles

Describe the relevant governance structures, policies, and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles.

This includes information about:

- which committee has responsibility over the sustainability strategy and targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Cib Sustainability Governance Structure

CIB's six-tier sustainability governance ensures an effective implementation of the six Principles of Responsible Banking.

The Bank is continuously working on enhancing its governance structure, highlighting its commitment to ensuring effective implementation of the Principles through the creation of the following sustainability bodies:

Board Sustainability Committee (BSC)

The Sustainability Committee acts on behalf of the Board in overseeing all sustainability-related efforts. It supports the integration of ESG aspects across the Bank to generate value for all stakeholders. It approves CIB's sustainability framework, strategies, policies, international affiliations, and memberships. The BSC meets quarterly.

Sustainable Finance Steering Committee (SFSC)

The SFSC is a cross-functional committee that includes Board and Executive Management representation, with a mission to establish, guide, empower, and monitor the Sustainable Finance department in line with CIB's business needs and international best practices. The committee ensures the seamless integration of the ESG pillars across the Bank's policies, operations, functions, and lines of business. The SFSC meets quarterly, and it also convenes as deemed necessary.

Chief Sustainability Officer (CSO)

CIB's first CSO was appointed in June 2020. The CSO's role drives the development of the Bank's sustainability infrastructure and the launch and implementation of policies, systems, and strategies.

Sustainable Finance Department

The Sustainable Finance department ensures the centrality of sustainability as a core business strategy. It provides a solid platform for integrating sustainability and ESG principles across the Bank's functions.

Financial Inclusion Division

The department was established following the CIB's Financial Circular on establishing a Financial Inclusion Department and created a five-year financial inclusion strategy to provide easier access to financial services to the most vulnerable segments of society.

Sustainability Strategic Network (SSN)

The SSN is a cross-functional, multi-stakeholder organizational structure that includes key representatives from across the Bank, linking functions and departments together. It is an integral component of the Bank's sustainability governance structure, ensuring an inclusive and participatory approach to embedding sustainability within CIB.

More information about CIB's governance can be found in the Bank's [2021 Sustainability Report](#) under "Delegating Authority" (p.101).

🌐 [ESG Investor Relations](#)

[Presentation](#)

🌐 [CIB's website](#)

🌐 [CIB's Annual Report](#)

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**Principle 5: Governance and Culture**

We will commit to these principles through effective governance and a culture of responsible banking.

5.2 Promoting a Culture of Responsible Banking

Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures, performance management, and leadership communication, among others.

CIB Culture For Repsonsible Banking:

CIB fosters a culture of responsible banking through performing regular and tailored sustainability training for all employees, focusing on the specific needs of its various lines of Business to onboard and further enhance employee understanding of sustainability.

To help employees become effective agents of change, CIB facilitates the following:

Sustainable Finance Academy

To enact a system change toward integrating sustainability into its policies and culture, CIB prioritizes the role of Sustainable Finance Education (SFE). In contrast to mainstream finance education, which has long focused on teaching the fundamentals of making a profit, SFE underscores the essential connection between finance and ESG dimensions. In its efforts to integrate ESG pillars across its policies and culture, CIB understands that SFE is a main pillar to ensuring a solid understanding of ESG's relevance for business growth and societal and environmental wellbeing. Pursuing its mission of instilling sustainable finance across its business, CIB builds on the solid credentials of its Learning and Development function toward establishing the CIB Sustainable Finance Academy to provide the necessary training and capacity building for employees, customers, and eventually peers, as well as other stakeholders, across different phases corresponding with the development of the framework.

Sustainable Finance e-Learning

A sustainable finance module designed to shed light on the basic principles and pillars of sustainability Bank-wide.

CIB has also collaborated with the reputable Frankfurt School of Finance and Management to offer the below modules:

Selling Sustainability

Training tailored to linking sustainable finance to the investment market.

ESG Integration in Financial Analysis

Provides a holistic view of the impact of ESG and the bank's role as a sustainability advisor to clients by going over the sustainable products and solution offerings, as well as how to demonstrate project sustainability.

Sustainability Communication

Tailored to RMs to enable acute awareness about sustainability and how it affects customer experience from different perspectives.

Climate Change Management

Modules tackle the meaning of sustainability and climate change management through different techniques.

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**Principle 5: Governance and Culture**

We will commit to these principles through effective governance and a culture of responsible banking.

The following modules are also offered by CIB's Learning and Development department, in collaboration with external training firms and institutions, to promote equality and gender empowerment:

Unconscious Biases

The online program tackles three areas: Understanding Unconscious Bias, Overcoming Unconscious Bias in the Workplace, and Overcoming Your Own Unconscious Biases. It targeted HR personnel as an essential concept to acquire and consider while dealing with staff on different levels. The training is expected to help combat unconscious Bias and facilitate adopting an anti-Bias approach.

Women in Leadership

The program introduces personality styles and how to react under pressure by modifying behaviors to connect with people, promoting diversity and inclusion of leadership styles, eliminating unconscious bias, and practicing communication with diplomacy and tact.

5.3 Policies and Due Diligence Processes

Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include identifying significant/salient risks, mitigating environmental and social risk, mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, and the governance structures you have in place to oversee these risks.

CIB Sustainable Finance Policy Integration:

The Policy and ESDD simply define CIB's commitment toward ESG, highlighting its role in managing affiliated ESG risks and mitigating negative impacts.

Endorsed and mandated by the Bank's top management, CIB is guided by a Sustainable Finance Policy and a Sustainable Finance Strategy. Both the policy and strategy aim to create synergies between the Bank's diverse departments and mainstream sustainability Bank-wide through the introduction of eight SF System and Strategy Workstreams. The workstreams are CIB's implementation arm ensuring the continuous integration and execution of the SF Policy and Strategy across the Bank. The workstreams comprise eight taskforces representing CIB's main lines of business and support functions, each addressing and ensuring the effective implementation of one or more of the PRB principles.

The following Policies, Policy Guides, and Standard Operating Procedures (SOPs) form the essential basis for managing significant social and environmental risks, enhanced as mandated by the SF Policy:

- [CIB Environmental Policy Statement](#)
- [Sustainable Finance Policy](#)
- ESRMS Policy Guide and Procedures Manual
- ESG clause integration within CIB's 37 policies and policy guides

More information about CIB's governance can be found in the Bank's [2021 Sustainability Report](#) under "Environmental and Social Risks" (p.109–113).

CIB's policies are publicly available on the Bank's website:

🌐 [CIB Environmental Policy Statement](#)

🌐 [Sustainable Finance Policy](#)

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Principle 5: Governance and Culture

We will commit to these principles through effective governance and a culture of responsible banking.

CIB Risk Management Frameworks And Commitments:

CIB ESG Risk Management is continuously aligned with state-of-the-art international risk frameworks. CIB is adopting and integrating other relevant global E&S risk frameworks, such as the Equator Principles and TCFD Climate Change Risk Management.

CIB's Environmental and Social Risk Management System (ESRMS) is the Bank's basis for maintaining a strong risk management system, which is core to the Bank's operating principles. The ESRMS consists of a set of policies, procedures, and tools that identify and manage a financial institution's exposure to the environmental and social risks of its clients. The system is aligned with CIB's Sustainable Finance Strategy and ensures compliance with the Multilateral Development Banks' ESRM requirements. The system is aligned with national laws and the International Finance Corporation (IFC), the European Bank for Reconstruction and Development (EBRD) performance standards, and the Equator Principles (EP).

The **TCFD** framework involves the identification of climate risk within lending portfolios, heat mapping, scenario analysis, and stress testing exercises. CIB is the first bank in Egypt to support the TCFD, and the Bank has been aligning with the framework since 2020. CIB completed the UNEP Finance Initiative TCFD Capacity Building Program in 2021.

In 2021, CIB became a founding signatory of the **Net Zero Banking Alliance (NZBA)**. CIB was appointed to represent Africa on its Steering Group and lead the outreach and recruitment track of the alliance, with a focus on delivering the banking sector's ambition to align its climate commitments with the Paris Agreement goals with collaboration, rigor, and transparency. Additionally, the Bank has collaborated with IFC through signing a Climate Risk Strategy Partnership to help CIB set a robust climate strategy in place. This will contribute to the growth of low-carbon climate financing and the formation of a robust strategy that identifies the interventions needed to reach the set climate targets.



Principle 6: Transparency & Accountability

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**Principle 6: Transparency and Accountability**

We will periodically review our individual and collective implementation of these principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

The report has been assured in line with the [Guidance for Assurance Providers: Providing Limited Assurance for Reporting](#) (Version 3).

Please refer to the section "[External Assurance](#)" in this report.

6.2 Reporting on Other Frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

CIB has issued standalone sustainability reports since 2015, and its approach to reporting has continuously evolved. For the year 2022, CIB is transitioning to integrated reporting to make disclosures more accessible to all stakeholders.

In the current reporting period, CIB will publish disclosures using the following standards and frameworks: Global Reporting Initiative (GRI), Carbon Footprint/ Ecological Footprint Disclosures, UN Sustainable Development Goals (SDGs), Sustainability Accounting Standards Board (SASB), UNEPFI – Principles of Responsible Banking (PRB) and Task Force on Climate-related Financial Disclosures (TCFD), Net-Zero Banking Alliance (NZBA), UN Global Compact (UNGC), Principles of Responsible Investment (PRI), Carbon Disclosure Project (CDP), Equator Principles (EP), and the CBE Guiding Principles on Sustainable Finance.

CIB reporting is based on a comprehensive ESG information management system. The report covers at least the following: business description, governance model, stakeholder engagement, materiality assessment, and key initiatives across all material topics in line with applicable frameworks and requirements. The reporting is also tailored to be accessible to all stakeholder groups and in line with the principles outlined in the frameworks. CIB strives to ensure transparent, all-encompassing, and unbiased representation of its financial and ESG performance and impact. Extending upon the double materiality approach, the reporting shall reflect the impacts of ESG on the Bank's stability and performance, and vice versa.

Please refer to our [Reports and Awards](#) section on our website.

6.3 Outlook

What are the next steps your bank will undertake in the next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.

Impact Analysis

In the upcoming reporting cycle, CIB will conduct an expanded impact analysis for its Consumer Portfolio to enhance the granularity and ensure the accuracy of its impact assessment.

Target Setting

For its Financial Health and Inclusion Commitment, CIB will proceed with revising its initial context analysis, baseline mapping, and target setting.

Governance Structure

In alignment with the CBE Circular on Sustainable Finance Regulation No. 737, issued 3 November 2022, and going forward, the Bank's Board will monitor the compliance with implementing sustainable finance-related policies and oversee the reporting process.

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**Principle 6: Transparency and Accountability**

We will periodically review our individual and collective implementation of these principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.4 Challenges

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

Some of the most pressing challenges faced include conducting an impact analysis given the current limitation in data availability and quality. The Bank is currently working on improving the data quality by engaging several departments across the Bank, as well as engaging with its clients and customers. Setting targets is another challenge; the Bank is working on establishing its KPIs across the selected impact areas, developing solid a baseline on which targets will be set, and exploring up-to-date methodologies and frameworks.

Ambitious action faces real-world constraints, and CIB is working on eliminating barriers that stand in the way of action, through the introduction and assessment of crucial climate investments, ensuring sustained action, appropriate allocation of efforts across various sustainability priorities, and mitigating disorderly transition.



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Annex 1 – Impact Analysis

A1.1 Overall Methodology

As a core-founding signatory of the Principles for Responsible Banking, CIB is committed to identifying and enhancing the impacts associated with its lending portfolio. The Bank must undertake a holistic impact assessment under Principle 2: “Impact Assessment and Target Setting” to identify its most significant positive and negative impact areas and set targets accordingly. CIB conducted its first portfolio impact assessment in 2020 using the UNEP FI Portfolio Impact Analysis Tool (Version 2).

This year, CIB used the UNEP FI Portfolio Impact Analysis Tool for Banks (Version 3 – last update in February 2023). The updated version of the Portfolio Impact Analysis Tool remains an iterative input-output workflow that supports determining the Bank’s most significant impact areas in three broad steps. The tool consists of a set of different modules, including:

- **Context module**, which enables needs assessment at three different levels: global, country, and local (based on the selected geographies of operation).
- **Identification module**, covering data related to portfolio composition, including the percentage of gross income per business line and percentage of drawn outstanding loans for a given sector and in a given country, enabling the tool to produce “impact profiles” per business line and country, drawing from in-built sources.
- The **assessment module** is finally used for performance and impact measurement regarding the identified significant impact areas.

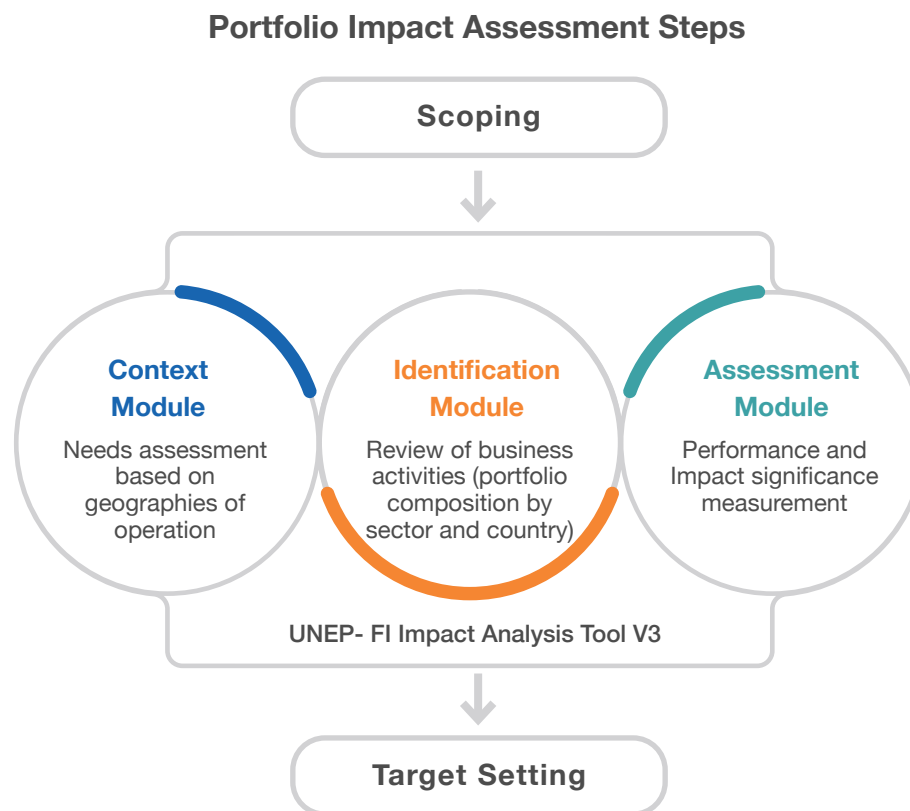


Figure 1. Portfolio Impact Assessment Steps

³ The report was published in 2021; however, the assessment was conducted based on 2020 portfolio data.

A1.2 Context and Relevance

Using the “Context Module” of the Portfolio Impact Tool, through the Country Needs assessment, CIB was able to determine the most relevant challenges and priorities in Egypt, in which 100% of the Bank’s activities occur. The Country Needs Assessment uses international resources

and provides guidelines on how to leverage additional resources to assess the priorities and challenges in different countries. The impact tool determined the following most significant negative and positive impact areas:

Negative Impacts

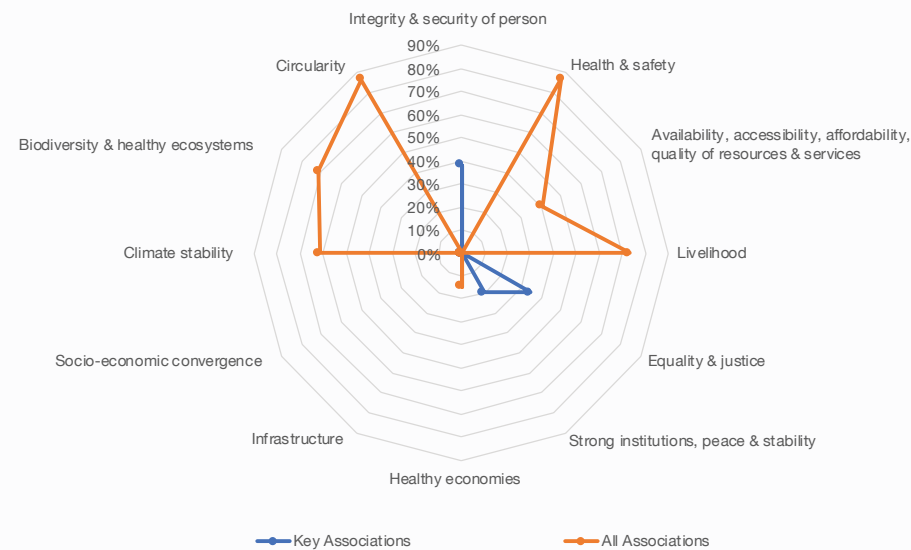


Figure 2. Negative Impact Analysis Results – Corporate and Business (SMEs) Banking

Positive Impacts

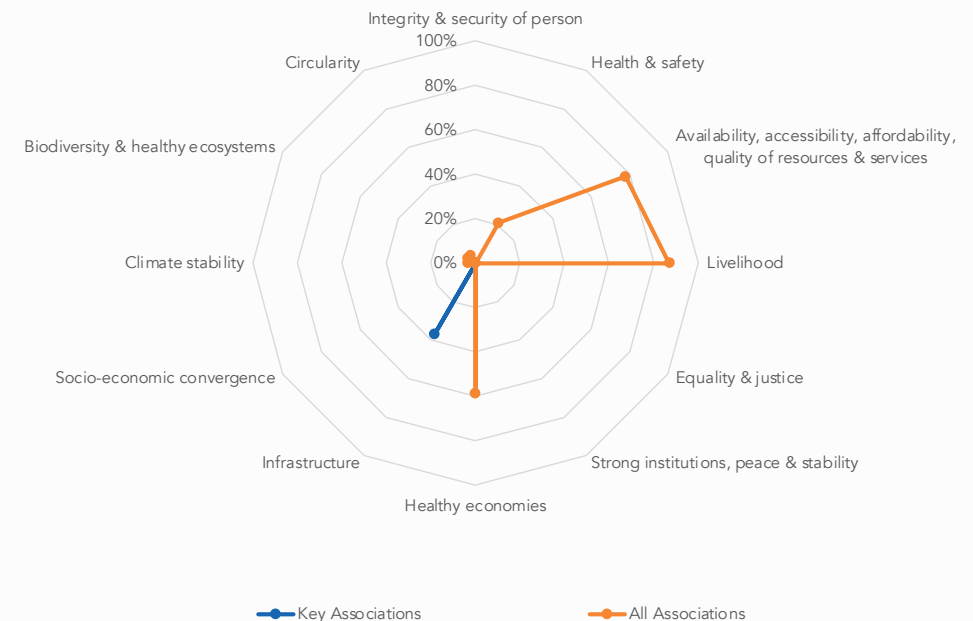
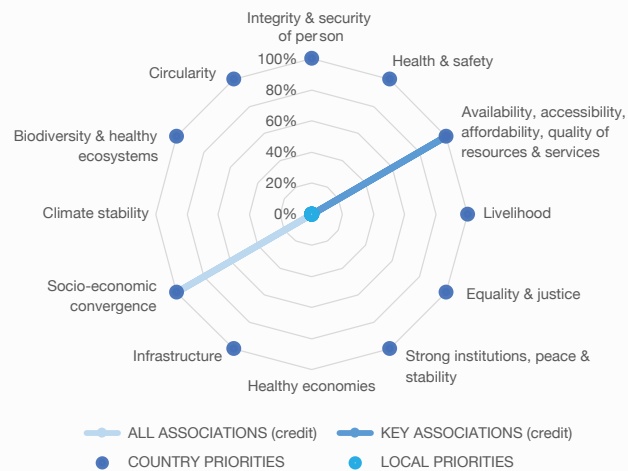
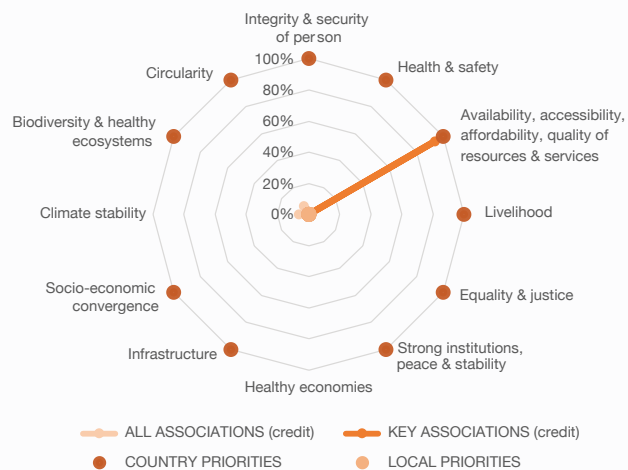


Figure 3. Positive Impact Analysis Results – Corporate and Business (SMEs) Banking

Positive Impacts (Credit)



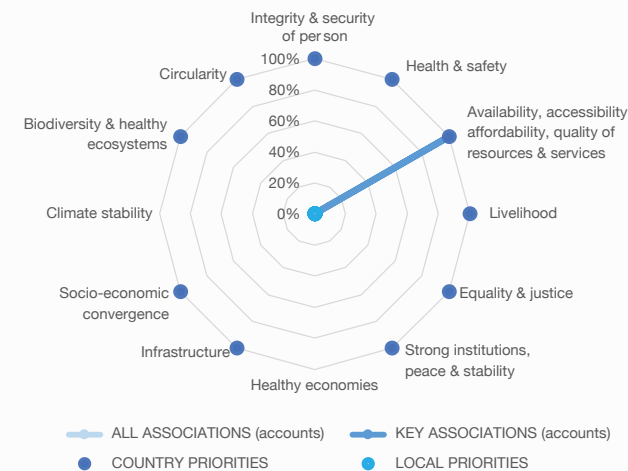
Negative Impacts (Credit)



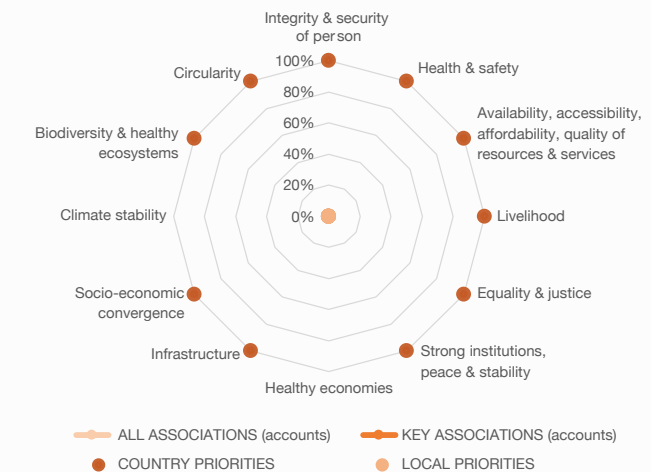
*the dots do not represent a value. They only show if an impact area is a priority in the country/locations (based on data in the Context Module).

Figure 4. Positive and Negative Impact Analysis Results – Consumer Banking (Credit Products)

Positive Impacts (Current Accounts and Savings)



Negative Impacts (Current Accounts and Savings)



*the dots do not represent a value. They only show if an impact area is a priority in the country/locations (based on data in the Context Module).

Figure 5. Positive and Negative Impact Analysis Results – Consumer Banking (Current and Savings Accounts)

Note: CIB's identified impact areas that are potential and may not necessarily reflect the actual impact of the Bank's business. While CIB strives to create positive change and make a meaningful impact in the world through its projects and initiatives, measuring impact can be a complex process, and there are many factors that can influence the effectiveness of the Bank's efforts. CIB uses a range of tools and methodologies to assess its impact and is constantly working to refine its approach to ensure that it accurately reflects the impact of the Bank's business. As such, the results of the tool are subject to change as we gather feedback, adjust our strategies, and evolve our approach over time.

Note on changes in 2022 impact analysis tool results compared to 2020⁴ results (due to change in tool version):

The outcome of the 2022 impact assessment tool witnessed slight changes in the relevant impact areas. This could be attributed to the updates that took place in the context module, which include changes in categorization, updating the database of resources and statistical data. Whereas, for example, we had waste and resource efficiency as impact areas last year, the topic was changed this year to the higher-level categorization: Circularity. Similarly, other topics have undergone the same changes. Below, you will find a linking of 2020 and 2022 impact areas that further clarifies the updates to CIB's impact topics. The Bank concludes that even though the impact areas' names might have changed, the core topics themselves have remained the same.

Table 1. Identified Significant (Positive and Negative) Impact Areas (Impact Analysis Tool Version 2 vs. Version 3)

2022 Topic (Tool Version 3)	Description	2020 Topic (Tool Version 2)	Description
Health & Safety	Population's ability to live in a state of complete physical, mental, and social wellbeing, including the aspects of safety and not merely the absence of disease or infirmity. This includes the ability to meet various human needs, some of which are essential for people to thrive and feel satisfied with their life.	Health & Sanitation	Population's ability to live in a state of physical, mental, and social wellbeing, including, but not limited to, the absence of disease or infirmity. This includes the ability to access quality essential healthcare services and effective, quality, and affordable essential medicines and vaccines. It also includes sanitation, which refers to population's accessibility to facilities and services that ensure privacy and dignity, ensuring a clean and healthy living environment for all.
Circularity	Resource Intensity and Waste Circularity is the model of production and consumption that involves the following processes: <ul style="list-style-type: none"> • Reduce by design: reducing the amount of material used, particularly raw material, should be applied as an overall guiding principle from the earliest stages of design of products and services. • From a user-to-user perspective: Refuse, Reduce, and Re-use. • From a user-to-business intermediary perspective: Repair, Refurbish, and Remanufacture. • From business-to-business: Repurpose and Recycle. 	Waste	Ability to manage waste, including the control, monitoring, and regulation of the production, collection, transport, treatment, and disposal of waste, as well as the prevention of waste production through in-process modifications, reuse, and recycling during a project lifecycle. This also includes waste reduction.
		Resource Efficiency	Efficient use of limited, non-renewable natural resource (which cannot be regenerated after exploitation) and renewable natural resources (which can return to their previous stock levels by natural processes of growth or replenishment) in the process of exploiting nature for production and consumption purposes. This can also be described as resource security.

4 CIB's 2020 Portfolio assessment results were published in 2021.

2022 Topic (Tool Version 3)	Description	2020 Topic (Tool Version 2)	Description
Livelihood	Employment, Wages, and Social Protection Population's accessibility to full and productive employment and decent work, which delivers fair income, security in the workplace, and social protection for families; involves prospects for personal development and social integration, freedom for people to express their concerns, organize, and participate in the decisions that affect their lives; and provides equality of opportunity and treatment.	Employment	Population's accessibility to full and productive employment and decent work, which delivers fair income, security in the workplace, and social protection for families; involves prospects for personal development and social integration, freedom for people to express their concerns, organize, and participate in the decisions that affect their lives; and provides equality of opportunity and treatment.
Biodiversity & Healthy Ecosystems	Waterbodies, Air, Soil, Species, and Habitat Variety of living organisms from all sources, including terrestrial, marine, and aquatic ecosystems and the ecosystems they are part of. This also includes diversity within species, between species, and of ecosystems varying from within waterbodies, soil, and in the air.	Quality of Water	Quality, understood as the physical, chemical, biological, and taste-related properties of water, as well as the quantity of surface water and groundwater.
Availability, accessibility, affordability, & quality of resources & services	Water, Food, Energy, Housing, Healthcare and Sanitation, Education, Mobility, Information, Connectivity, Culture and Heritage, Finance Population's ability to access resources and services that pertain to their individual needs, including the availability, accessibility, affordability, and quality of resources and services.	Inclusive, Healthy economies	Development and creation of sustainable, diverse, and innovative markets that add value to society and the economy. This includes under-served social groups' full and fair accessibility to labor markets, finance and entrepreneurship, and, more generally, economic opportunity. It also includes, but is not limited to, access to affordable, effective, and safe financial services for individuals and micro-, small-, and medium-sized enterprises.
Climate Stability	State of the climate when not affected by human activities. Human activities change the composition of the global atmosphere, with exposure to greenhouse gas (GHG) emissions being a direct factor contributing to climate change. Climate stability can be achieved through the: <ul style="list-style-type: none"> Avoidance of GHG emissions (avoided emissions are emission reductions that occur outside of a product's lifecycle or value chain — occur as a result of the use of that product) Reduction of GHG emissions (limitation of emissions directly related to the product) Removal of GHG emissions (anthropogenic activities removing CO2 from the atmosphere and durably storing it in geological, terrestrial, or ocean reservoirs, or in products. It includes existing and potential anthropogenic enhancement of biological or geochemical sinks and direct air capture and storage) 	Economic convergence	Ability of countries to reduce inequality at the level of average per capita income.
		Climate	Composition of the global atmosphere and its exposure to greenhouse gas (GHG) emissions as a direct factor contributing to climate change.

A1.3 Performance Measurement

A1.3.1 Corporate and Business Banking (SMEs) Portfolio Impact Significance and Performance Measurement




After carrying out the impact assessment, CIB identified the significant positive and negative areas associated with its Corporate and Business Banking lending activities. The below tables present the top five negative and top five positive impact areas in terms of the percentage (%) of portfolio association, as identified during our portfolio impact analysis process. The tables present the national challenges and priorities associated with each impact area and how CIB is working to mitigate the negative impacts while further developing the positive ones.

The main sectors that were associated with CIB's negative and positive portfolio impacts include the following, arranged in order of percentage exposure from the Bank's total corporate and business banking loans portfolio.










Note: The sectors below are listed in order from largest to smallest percentage of loan portfolio.

Petroleum	Tourism	Construction	Telecom	Manufacturing of Food and Beverages	Real Estate	Power Generation	Electronics	Nonbank Financial Institutions	Textiles	Pharmaceuticals
										
















Table 2. Country context analysis and performance measurement of negative significant impact areas - Corporate and business banking

- Negative Economic, Social, & Environmental Impact Areas	SDGs	Main associated Sectors	Definition/ Description & Challenges	Performance measurement (CIB's efforts to mitigate the negative impact)
 Health and Safety			<p>The health and safety impact area covers topics related to occupational health and safety, social wellbeing, and the ability to meet various human needs. Some of the main challenges associated with this impact area include:</p> <ul style="list-style-type: none"> ▪ Lack of a comprehensive set of policies and procedures ▪ Weak implementation of said procedures ▪ Weak internal audit mechanisms ▪ Weak monitoring of subcontracted work <p>Concerning the tourism sector, health and safety laws and regulations for tourists have been established and are important to consider, as well as occupational health and safety governance and national laws that apply across all sectors.</p>	<ul style="list-style-type: none"> ▪ CIB has had its Environmental and Social Risk Management System (ESRM) in place since 2017 to mitigate E&S risks. All clients follow the IFC and EBRD performance standards and applicable national regulations incorporated within the Bank's framework. ▪ CIB's exclusion list complies with the IFC and EBRD standards and limits portfolio exposure to tobacco and alcohol (excluding beer and wine) clients to 1%.

5 Definitions source: The Impact Radar UN Environment Programme Finance Initiative, 2022























- Negative Economic, Social, & Environmental Impact Areas	SDGs	Main associated Sectors	Definition/ Description & Challenges	Performance measurement (CIB's efforts to mitigate the negative impact)
 Circularity	 		<p>The circularity impact area covers waste and resource efficiency impact topics.</p> <p>Some of the main challenges associated with waste include:</p> <ul style="list-style-type: none"> Absence of an integrated waste management system and procedures on a facility and project level Lack of suitable service providers when it comes to recycling and landfill diversion Lack of hazardous waste management facilities in the country The prevalent need for capacity building and training on waste management and the latest recycling, recovery, treatment, and waste-to-energy solutions <p>Resource efficiency is considered a challenge across many sectors in Egypt, especially the manufacturing sector, when it comes to energy, water, and raw materials sourcing and consumption. Some of these challenges include:</p> <ul style="list-style-type: none"> Balancing economic growth with reducing carbon emissions Lack of access to finance for resource efficiency projects Limited awareness and understanding of the benefits of resource efficiency <p>These challenges require collaborative efforts from the government, industry, and stakeholders to find viable solutions that promote sustainable development in Egypt while reducing carbon emissions.</p>	<ul style="list-style-type: none"> CIB works with its corporate clients in the energy and manufacturing sectors to help finance and provide technical assistance related to energy efficiency measures. CIB has tailored sustainability products to reduce resource consumption and waste generation (further information is provided in Principle 3). The Bank can prove the business case for solid waste management systems, allowing it to tailor specific products related to them. CIB's "Sustaining Sectors Program" engages corporate clients across various resource-intensive industries. This includes presenting information about circular economy and resource efficiency opportunities, collecting data on these topics, conducting walkthrough audits, and consulting and accompanying clients on their transition plans to more resource-efficient and circular business models. To date, CIB has engaged with clients from industrial sectors, including textiles, food and beverages, tourism, pharmaceuticals, plastics, paper, and pulp sectors, and it has helped identify multiple potential energy efficiency financing opportunities.
 Livelihood	  		<p>Livelihood covers several topics, including employment and minimum living wages. It is defined⁶ as population's accessibility to full and productive employment and decent work, as well as equality of opportunity and treatment.</p> <p>Some of the challenges related to this impact area include:</p> <ul style="list-style-type: none"> Minimum wage is not always considered, especially when it comes to temporary workers Child and forced labor The minimum standards of labor and working conditions are not always followed The lack of strict mitigation measures and procedures related to land acquisition and involuntary resettlement, including physical and economic ones 	<ul style="list-style-type: none"> CIB's Credit Information department conducts site visits to the Bank's corporate clients' premises twice a year to conduct a thorough on-ground data collection and check for general social and environmental working conditions, including availability of a fire system, emergency response plan, employees' use of personal protective equipment, presence of child or forced labor, availability of waste water treatment stations, condition of equipment and working capacity, cleanliness of the work place, and the quality of goods. Within CIB's ESRMS, we ensure all clients abide by applicable national regulations when it comes to labor conditions and human rights, in addition to environmental compliance and complying with the IFC and EBRD Performance Standards. CIB signed the Financial Health and Inclusion Commitment in 2021 to promote universal financial inclusion and foster a banking sector that supports the financial health of all customers.

6 Definition source: International Labour Organisation (ILO)








- Negative Economic, Social, & Environmental Impact Areas	SDGs	Main associated Sectors	Definition/ Description & Challenges	Performance measurement (CIB's efforts to mitigate the negative impact)
 Biodiversity & Healthy Ecosystems	    	  	<p>This impact area is defined as the variety of living organisms from all sources, including terrestrial, marine, and aquatic ecosystems and the ecosystems they are part of.</p> <p>Challenges include:</p> <ul style="list-style-type: none"> Weak implementation of biodiversity-related mitigation measures Impact assessment studies do not sufficiently address biodiversity impact assessment for new projects 	<ul style="list-style-type: none"> CIB adopted the Equator Principles in April 2021 to ensure that the projects it finances are developed in a manner that is socially responsible and reflects sound environmental management practices. CIB's ESRMS ensures that all clients abide by the IFC and EBRD Performance Standards covering biodiversity. CIB ensures that all clients abide by the Egyptian Environment Law 4/1994 and its executive regulations with regard to the development of environmental and social impact assessment (ESIA) studies for all types of projects belonging to categories A, B, scoped B and C, as per the country's system.
 Climate Stability		   	<p>This impact area is defined as the state of the climate when not affected by human activities. Human activities change the composition of the global atmosphere, with exposure to greenhouse gas (GHG) emissions being a direct factor contributing to climate change⁷.</p> <p>The unsustainable use of energy resources is a major reason for continued environmental degradation. Increasing temperatures and reduced precipitation/rainfall will bring additional challenges for energy demands, such as changes (seasonal expansion, prolonged usage) of peak-hour demand patterns, such as increasing the need for air conditioning and expanding the high-energy demand of water desalination efforts.</p> <p>To reduce the country's overall GHG emissions from energy generation, Egypt has set a target of achieving 42% energy generation from renewable sources by 2035.</p>	<p>Climate-related impacts are being addressed through multiple aspects, including creating new products, continuously enhancing CIB's ESRMS system, integrating sustainability within the Bank's policies and SOPs, and enhancing sustainability education and capacity building within the Bank:</p> <ul style="list-style-type: none"> CIB has tailored sustainability products concerned with climate stability and GHG reduction, as well as impacts related to the Bank's Green Bond framework and financing mechanism (further information is provided in Principle 3). CIB has partnered with IFC to develop the Bank's climate strategy. The Bank has been aligning with the TCFD framework since 2021. In April 2021, CIB joined the NZBA. CIB's Green Bond Framework and Second Party Opinion on the sustainability of CIB's Green Bond Framework.

⁷ Definition source: Intergovernmental Panel on Climate Change, Global CCS Institute, World Resources Institute.

Table 3. Country context analysis and performance measurement of positive significant impact areas - Corporate and business banking

+ Positive Economic, Social, & Environmental Impact Areas	SDGs	Main associated Sectors	Definition/ Description	Main national priorities and CIB's efforts to further develop positive impacts
 Livelihood	  	   	<p>Livelihood covers several topics, including employment and minimum living wages. It is defined⁸ as the population's accessibility to full and productive employment and decent work, as well as equality of opportunity and treatment.</p>	<p>In an effort to enhance the livelihoods of its citizens, Egypt has implemented a number of initiatives, such as raising minimum wage, expanding social protection programs, and investing in infrastructure projects.</p> <p>Given the nature of the banking sector, CIB indirectly contributes to national job creation, enhancing the economic situation and improving the availability, accessibility, affordability, and quality of resources and services.</p>
 Availability, accessibility, affordability, quality of resources & services	        	   	<p>This impact area is defined as the capacity of individuals to obtain resources and services that are relevant to their needs, which encompasses aspects such as the presence, convenience, cost-effectiveness, and standard of these resources and services.</p>	<p>Egypt has embarked on a range of ambitious initiatives aimed at improving the accessibility and affordability of services. Two of the most significant programs are the "Hayah Karima" initiative and the "Takaful and Karama" initiative, which provide cash assistance to families with low incomes.</p> <p>Meanwhile, the real estate sector has received support from the government through the launch of innovative new projects, such as the "Sakan Misr" program.</p> <p>The country has also undertaken significant efforts to boost its tourism industry by developing new infrastructure, such as the iconic Grand Egyptian Museum. Additionally, promoting cultural heritage and upgrading safety and security measures have been a top priority in this endeavor.</p> <p>Several of the sectors that CIB finances contribute directly or indirectly to these impact topics, such as:</p> <ul style="list-style-type: none"> ▪ The tourism sector, which contributes to the ability to access and participate in cultural life, enjoy the arts, and take part in scientific advancement and its benefits. ▪ The manufacturing of food and beverages contributes directly to the accessibility of nutritious food. ▪ The telecom sector contributes directly to digital accessibility and connectivity among communities. ▪ Real estate provides housing and contributes to people's wellbeing. ▪ The construction sector contributes to several impact topics, including housing, mobility, education, healthcare, and the overall wellbeing of communities.

⁸ Definition source: International Labour Organisation (ILO)

+ Positive Economic, Social, & Environmental Impact Areas	SDGs	Main associated Sectors	Definition/ Description	Main national priorities and CIB's efforts to further develop positive impacts
 Healthy economies	 		<p>Development and creation of sustainable, diverse, and innovative markets that add value to society and the economy. This also includes the process of economic diversification where an economy shifts away from a single income source toward multiple sources from a growing range of sectors and markets⁹.</p>	<p>Egypt has implemented various initiatives to support and flourish MSMEs and to diversify its local and national economies, including the establishment of new economic zones and industrial parks. One of such major projects is the Suez Canal Economic Zone, which aims to attract foreign investment and boost trade. Another project is the New Administrative Capital, which is expected to become a hub for technology, finance, and innovation.</p> <p>CIB has a diversified sectoral and segmental portfolio that leads to the development and creation of sustainable, diverse, and innovative markets that add value to society and the economy. The Bank's segment base includes corporates, SMEs, and individuals, among others. Moreover, in alignment with the CBE, the Bank targets the segments and sectors most in need to ensure economic stability and balance.</p>
 Health and Safety			<p>The health and safety impact area covers topics related to occupational health and safety, social wellbeing, and the ability to meet various human needs. Population's ability to live in a state of complete physical, mental, and social wellbeing includes the aspects of safety and not merely the absence of disease or infirmity. This also includes the ability to meet various human needs, some of which are essential for people to thrive and feel satisfied with their life¹⁰.</p>	<p>Egypt dedicates a lot of effort to ensure the occupational health and safety of its workers. The country has established laws and regulations to protect workers from all forms of harm and injury in the workplace, including the prevention of terrorism and violence. The Egyptian Constitution guarantees the right to a safe life as a fundamental human right.</p> <p>CIB's tourism, real estate, and healthcare sectors contribute to the medical, recreational, and social wellbeing of society. The Bank's portfolio financing covers hospitals, clinics, labs, sites related to cultural heritage, recreational facilities, and general housing that helps people live in a state of wellbeing.</p> <p>Additionally, the pharmaceuticals and food and beverage sectors provide the population with the needed nourishment and medication to further enhance their wellbeing.</p>

⁹ Source: European Bank for Reconstruction and Development, OECD, United Nations Special Advocate for Inclusive Finance, United Nations Development Programme, SDGs, UNFCCC.

¹⁰ Definition Source: WHO, OECD














A1.3.2 Consumer Banking Portfolio Impact Significance and Performance Measurement

After carrying out the impact assessment, CIB identified the significant positive and negative areas associated with its Consumer Banking segment.

The below tables present the highest associated negative and positive impact areas, as well as the national challenges and priorities associated with each impact area and how CIB is working to mitigate the negative impacts while further strengthening the positive ones.



CBE declared financial inclusion a national priority, and CIB has been committed to serving the underbanked segments by facilitating access to finance and financial products and services with close attention to women, youth, SMEs, people with disabilities, and low-income segments of society. CIB invested in its digital capabilities and relied on its proximity to its customers to create value for the unbanked and underbanked.

Table 4. Portfolio Impact Analysis Results (positive and negative impacts) – Consumer Banking

+ Positive Economic, Social, & Environmental Impact Areas	SDGs	Definition/ Description ¹¹	Main national priorities and CIB's efforts to intensify the positive impacts
 Availability, accessibility, affordability, & quality of resources & services (finance and housing)	        	<p>This impact area is defined as the capacity of individuals to obtain resources and services that are relevant to their needs, which encompass aspects such as the presence, convenience, cost-effectiveness, and standard of these resources and services.</p>	<p>Egypt has been making significant efforts to increase the availability and affordability of resources for its citizens, especially in the fields of water, energy, housing, healthcare, and education. Egypt has also been working on improving access to affordable housing through various means, such as the “Mortgage Finance Fund”, which provides low-interest loans for citizens.</p>
 Socioeconomic Convergence	 	<p>Socioeconomic convergence is defined as the ability of countries to reduce inequality at the individual and population level.</p>	<p>Egypt has taken several measures to increase socioeconomic convergence by boosting economic growth and creating more jobs, particularly in the private sector, to reduce unemployment and increase incomes. Furthermore, the government has been implementing various social protection programs to help the most vulnerable segments of society, including cash transfer programs, subsidies for food and basic services, and job training programs.</p> <p>As part of youth financial inclusion, the CBE also facilitated the accessibility to financial services eliminating the need for a legal guardian for youth aged 16–21 to open an account. Women's financial inclusion has been a focal topic on a national level; indicators showed an upsurge in the number of females who own a transactional account, which recorded 18.3 million women by the end of 2022, representing a growth rate of 210% compared to 2016¹².</p>

¹¹ Definitions source: The Impact Radar UN Environment Programme Finance Initiative, 2022

¹² Source: [The Central Bank of Egypt Releases the Core Set of Financial Inclusion Indicators for 2022](#)

Negative Impact Areas	SDGs	Definition/ Description ¹¹	Main national priorities and CIB's efforts to intensify the positive impacts
 <p>Availability, accessibility, affordability, & quality of resources & services (finance and housing)</p>		<p>This impact area is defined as the capacity of individuals to obtain resources and services that are relevant to their needs, which encompass aspects such as the presence, convenience, cost-effectiveness, and standard of these resources and services.</p>	<p>Credit products, including microcredit, also have potential negative associations with availability, accessibility, affordability, and quality of resources and services if they are not designed to be fair and accessible, especially to those traditionally excluded from banking services, such as vulnerable groups that include low-income individuals, women, and elderly people in Egypt who can face difficulties in accessing services (particularly loans).</p> <p>CIB has a robust product offering provided through digital and conventional means for unique individuals. The Bank's main target groups and audiences are youth, women, disabled individuals, and farmers.</p> <p>As part of promoting financial awareness and education and enhancing financial inclusion, CIB developed initiatives targeted at youth, including the Differently-Abled Program in banking (financial inclusion for differently abled graduates in the workforce), and Tawarny (tailored mentorship program for fresh candidates in Egypt, covering various banking topics each quarter), while other initiatives targeted at women include CIB-Women in Tech (a seven-week program aiming to increase female tech representation and prepare recent graduates for hiring at CIB in particular and in the banking sector at large), Helmek Yehmena (CIB collaborates with universities in the Upper Egypt and Delta regions to enable women and educate them on job prerequisites), and She's Back (an initiative that aims to ease the transition for women returning from maternity and/or childcare leave).</p> <p>Other Consumer Banking product offerings include the Bedaya Savings Account, which offers an onboarding process to Egyptians (new-to-bank customers only) with no income proof, no opening fees, and no minimum balance. This is in addition to Heya Credit Card, which is exclusively provided for women, offering them tailored benefits and features.</p>

A1.4 Commitment to Financial Health & Inclusion

As a PRB signatory, CIB recognizes its responsibility for supporting inclusive societies founded on human dignity, which is necessary for achieving shared prosperity for current and future generations. This also aligns with the portfolio impact assessment and national regulation results and national context requirements. CIB commits to mobilizing its people, products, services, and relationships to facilitate the changes necessary to promoting universal financial inclusion (i.e. providing responsible savings, lending, investment, insurance, and advisory services — as relevant — that are available and accessible).

CIB will set SMART targets that substantially contribute to societies' financial inclusion as defined in the Bank's Commitment and determined considering regional and national needs, the operational environment, and national, regional, and international policy goals and frameworks. CIB commits to setting its Financial Health and Inclusion targets by 2023. The targets will focus on those aspects of CIB activities that have or can have the most significant impact. Therefore, the targets will be supported by a selection of measures and indicators that seek to drive the necessary changes in the most relevant areas.

A1.4.1 Advancing Financial Health and Inclusion across CIB's Portfolio: Baseline Measurement

CIB is working on defining core indicators for measuring its performance and a baseline upon which it shall set targets. The Bank's priority target audiences include women, underbanked and unbanked segments of society, rural areas, youth, and people with disabilities, and this is in line with the CBE's priorities, focus areas, and initiatives.

Table 5. CIB's Financial Inclusion KPIs

Code	Indicator Name	Indicator Name	Level (output/outcome/impact)
CS025	# of products and services in the portfolio with a focus on financial inclusion	Based on internal data: Measures how many of the products and services in the portfolio have a financial inclusion focus. We deem a product or service to have this focus when its design facilitates access and use by the prioritized customer. These products and services include, for example, no-fee savings account, low-interest microloan, offline access, or sim-based banking apps, etc.	Actions
CS023	% of relevant employees supported with effective training on financial inclusion, responsible credit, and/or financial health	Based on internal data: Measures the percentage of relevant employees supported by effective training on financial inclusion, responsible credit, and/or financial health, including training on how to attend to the needs of prioritized groups. The Bank measures the effectiveness and success of an initiative according to how far the participants' skills develop, rendering them more capable of achieving the desired results. Relevant employees are the ones the Bank prioritizes in the training program due to their direct impact on customers' financial health	Actions
CS027	# of partnerships active to achieve financial health and inclusion targets	Based on internal data: Measures the number of currently active partnerships that aim to achieve and fulfill financial health and inclusion targets. Active here means currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary section of the reports.	Actions

Code	Indicator Name	Indicator Name	Level (output/outcome/impact)
CS036	# of new customers per year ¹³	Based on transactional data: Measures the number of new customers per month. Once the Bank sets a target, this indicator can become a KPI to measure the percentage of new customers, from the prioritized groups, per month.	Output
CS038	% of customers with effective access to a basic banking product	Based on transactional data: Measures the percentage of customers with effective access to a basic banking product. Effective here means the use beyond first access. Basic banking products vary by bank. Good examples include checking accounts, payment accounts, credit cards, saving accounts, deposit accounts, e-money accounts, etc. (See the annex for a list of products)	Output
CS025	% of customers actively using the online/mobile banking platform/tools	Based on internal data: Measures the number of products and services in the portfolio that have a financial inclusion focus. We deem a product or service to have this focus when its design facilitates access and use by the prioritized customer. These products and services include, for example, no-fee savings account, low-interest microloan, offline access, or sim-based banking apps, etc.	Actions

All data will be provided once annually.

Annex 2: Cib's Impact Areas Country Level Indicators

CIB tracked the relevant indicators for the different impact areas from the international resources provided in the Portfolio Impact Assessment tool. This was accomplished by identifying the country's status within these sources per the scoring range specified in the tool: "The scoring range is from 1 to 4, with 1 representing a low level of need and 4 representing a very high level of need." As the Portfolio Impact Assessment tool directs, instances with more than one

indicator, and therefore more than one score, should be given the highest score. In cases where more than one indicator has the same high score, the Bank uses the most recent one. The following table illustrates the indicators that the Bank used in each impact area identified and assessed from the Corporate and Business Banking:

Impact Area		Indicator	Value	Need Score	SDGs
Circularity	Resource Intensity	Energy consumption per capita	<87.9 GJ	1	12
		Water withdrawals per capita	910.6 m3/year	3	
		Material footprint (RMC) per capita	7.95 t/capita	2	
	Waste	Recycling rate	12.50%	4	
Biodiversity & Healthy Ecosystems	Waterbodies	Proportion of water bodies with good ambient water quality	NA	NA	6, 14
	Air	Modelled annual mean PM2.5	72.31 µg/m3	4	11, 12
	Soil	No global index or other data set is available	NA	NA	15, 12
	Species	Red List Index of Species Survival	Green (SDG accomplished)	1	15, 12
	Habitat	Vegetation loss since 2004	1.49	3	14, 15
Health & Safety	Health & Safety	Life expectancy at birth	71.82 years	3	3
Livelihood	Employment	Unemployment rate	7.90%	2	1, 8
	Wages	Gross national income (GNI) per capita	Lower-middle income country	3	1,8
	Social Protection	SDG 1.3.1 Population covered by at least one social protection benefit (excluding health)	34.7	3	1,10

Impact Area		Indicator	Value	Need Score	SDGs
Availability, Accessibility, Affordability, & Quality of Resources & Services	Water	Baseline water stress (ratio of total water withdrawals to available renewable water supplies)	3.07 (High)	3	6
	Food	Prevalence of obesity in the total population	32% (major challenges remain)	4	2
	Energy	Proportion of population with access to electricity	100%	1	7
	Housing	Proportion of urban population living in slums	5.2	2	11
	Healthcare & Sanitation	Universal health coverage (UHC) index of service coverage	70	3	3, 6
	Education	Mean years of schooling (composite index: mean years of schooling of adults and expected years of schooling of children)	7.4	3	4
	Mobility	Satisfaction with public transport	71	2	9, 11
	Information	Freedom of press (composite index: questionnaire on pluralism, media independence, media environment and self-censorship, legislative framework, transparency, and the quality of the infrastructure that supports the production of news and information + data on abuses and acts of violence against journalists)	30.23	4	16
	Connectivity	Proportion of population using the internet	71.9	2	9
	Finance	Adults with an account at a bank or other financial institution or with a mobile-money-service provider (% of population aged 15 or older)	32.78	4	8, 9
Climate Stability	Climate Stability	CO ₂ emissions	2.3 mt/capita	2	13
	Gender Equality	Gender inequality (composite index: reproductive health, measured by maternal mortality ratio and adolescent birth rates; empowerment, measured by proportion of parliamentary seats occupied by females and proportion of adult females and males aged 25 years and older with at least some secondary education; and economic status, expressed as labor market participation and measured by labor force participation rate of female and male populations aged 15 years and older)	0.45	3	5
	Ethnic/Racial Equality	No global index or other data set available.	NA	NA	10
	Age Discrimination	Prevalence of ageist attitudes	High	4	10
	Conflict	Presence of armed conflict	Violent crisis	3	16
	Modern slavery	Victims of modern slavery per 1000 population	5.519 (challenges remain)	2	8,16
	Child Labor	Children involved in child labor (% of population aged 5 to 14)	Yellow (challenges remain)	2	8,16
	Climate Stability	Level of data protection laws	Robust	2	16
	Natural Disasters	Risk of humanitarian crises and disasters (as a function of hazards and exposures, vulnerability, and lack of coping capacity)	4.7 (medium)	2	11,13

Impact Area		Indicator	Value	Need Score	SDGs
Strong Institutions, Peace, & Stability	Rule of Law	Rule of law (as a factor of constraints on government powers, absence of corruption, open government, fundamental rights, order and security, regulatory enforcement, civil justice, and criminal justice)	0.35	4	16
	Civil Liberties	Civil liberties	0.36	3	16
Healthy Economies	Sector Diversity	Economic Complexity Index (ECI)	-0.15	2	8,9
	Flourishing MSMEs	Ease of doing business score	60.1	2	8
Infrastructure	Infrastructure	Average quality of transport infrastructure (road, rail, port, and air)	3.7	3	9
Socio-Economic Convergence	Socio-economic Convergence	Social mobility (composite index: based on multiple indicators spanning topics such as education, work opportunities, fair wage distributions, and technology access, among others)	44.8	3	10, 17



External Assurance



UNEP-FI Principles of Responsible Banking – Independent Limited Assurance Statement

Introduction and Objectives

To the Board of Directors of CIB

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 energy, environment, climate change and carbon footprint, circular economy, and green building (LEED), as well as corporate sustainability strategies, reporting, and certification. Masader is a member of the GRI community and an AA1000AS licensed provider, conducting assurance engagements in line with AA1000 standards and principles.

Masader was engaged by CIB (Commercial International Bank) to perform independent limited assurance on the United Nations Environmental Programme Finance Initiative (UNEP-FI) Principles for Responsible Banking's (PRB) Reporting and Self-Assessment template (PRB Template) prepared by CIB for the period ending 31 December 2022.

Boundary, Scope, Subject Matter, and Limitations

According to the [UNEP-FI Guidance for Assurance Providers: Providing Limited Assurance for Reporting \(Version 2\)](#), limited assurance has been conducted on the following UN PRB Template sections: **2.1** Impact Analysis, **2.2** Target Setting, **2.3** Plans for Target Implementation and Monitoring, and **5.3** Governance Structure for Implementation of the Principles.

The assurance process was subject to the following limitations and exclusions:

- Appropriate definitions and disclosure criteria adopted by CIB.
- Content of any external websites or documents referred to within the PRB Template.

We have not been engaged to:

- Verify any statement indicating CIB's intention, opinion, belief, and/or aspiration.
- Advise on the implementation of any recommendations.

CIB is responsible for the responses provided in the PRB Template.

Methodology

The following general procedures and activities were followed to grant limited assurance on CIB's responses to the PRB Template:

- Determining whether the PRB framework has been applied correctly and accurately.
- Engaging with CIB employees to explain and clarify the governance structure and relevant reporting procedures used to prepare the responses within the PRB Assured Self-Assessment Template.
- Reviewing the process used for data collection and reporting where applicable and/or available.
- Assuring that the disclosure of the methodology/process applied accurately reflects the methodology and steps undertaken by CIB to conduct the impact analysis.

The following specific procedures have been performed regarding the reported sections.

2.1. Impact Analysis:

- Reviewing descriptions of the Bank's business areas, products, and services across their main geographies and the accuracy and clarity of the numbers provided.
- Reviewing the accuracy of the portfolio composition disclosures.
- Reviewing the evidence that CIB has conducted context analysis.
- Reviewing whether the methodology for prioritizing the Bank's significant impacts and selecting its two most significant impacts for setting targets has been clearly disclosed in a fair, balanced, and understandable way, including disclosure of any exclusions.
- Reviewing whether the stated governance process has been followed.
- Reviewing accuracy of reported indicators and rationale behind them.

2.2 Target Setting (for the targets set for climate):

- Reviewing whether the set targets have been defined following the Guidelines for Climate Target Setting, considering differing transition pathways, and have been linked to significant impact areas.
- Reviewing information on international, regional, or national frameworks that have been referred to by the Bank and analyzing descriptions of how targets contribute to them.
- Reviewing whether the reported baseline is reasonable, considering SMART (specific, measurable, achievable, relevant, and time-bound) criteria for the base year.
- Reviewing descriptions of the planned activities for meeting the targets and monitoring arrangements and processes for corrective or remedial measures if necessary.
- Reviewing references to and analysis of potential significant negative impacts that the Bank's targets might have on other UN SDGs and how it is planning to mitigate these to the best extent possible.

2.3 Target Implementation and Monitoring

- Reviewing whether the Bank has clearly disclosed its implemented actions using relevant KPIs, as well as necessary arrangements for ongoing monitoring.

5.1 Governance Structure for the Implementation of the Principles

- Reviewing the Bank's governance system and analyzing whether it includes oversight of the Bank's impact analysis, target setting, and target implementation and monitoring, and whether it is aligned with the existing governance structures already in place, including checking relevant evidence.
- Reviewing the information provided to the Bank's senior management and analyzing whether it includes a clear view of impact, metrics, and targets, and the frequency and regularity of the information being shared — it is being shared on an appropriately regular basis for review.
- Reviewing the accuracy of disclosed information based on all available sources.

Conclusion

We have reviewed the selected responses in the PRB Template of CIB and received all the necessary explanations from the Bank to support sufficient evidence for our assurance conclusion and mitigate risks of material error. Based on the activities performed and evidence received, in our opinion, CIB has complied, with all material respects, with the PRB Template for the period ended 31 December 2022.

In accordance with the terms of our engagement, this independent limited assurance statement on the selected information has been prepared for CIB regarding reporting to its stakeholders and is to be used for no other purpose or in any other context.

For and on behalf of Masader Environmental and Energy Services S.A.E

Dr. Abdelhamid Beshara

Founder and Chief Executive Officer

Masader, Environmental & Energy Services (S.A.E)



Abdelhamid Beshara



Accredited Climate
Change Consultancy



COMMUNITY MEMBER

2023



TASK FORCE ON
CLIMATE-RELATED
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ABOUT MASADER

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