



Principles for Responsible Banking

Self-Assessment Report 2024



ABOUT THIS REPORT

This is the fourth 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 Principles for Responsible Banking (PRB) in 2019 to strengthen its contribution towards the [UN Sustainable Development Goals](#) and [the Paris Climate Agreement](#) and advance financial sector action on ESG and sustainability.

The report addresses CIB's progress regarding all six principles throughout the year 2023. This year's report provides a snapshot of CIB's progress in sustainability initiatives and impact reporting. These efforts will be further detailed in the upcoming Integrated Sustainability Report.

Editorial Policy

This report provides a summary of the PRB implementation at CIB for the reporting period. It has been prepared according to the [UNEP-FI guidelines](#) and uses the [official reporting template](#). The impact analysis, conducted in 2022, utilized the [UNEP-FI Portfolio Impact Analysis Tool \(Version 3\)](#), as detailed in [CIB's UN PRB Self-Assessment Report 2023](#).

Forward-looking Statements

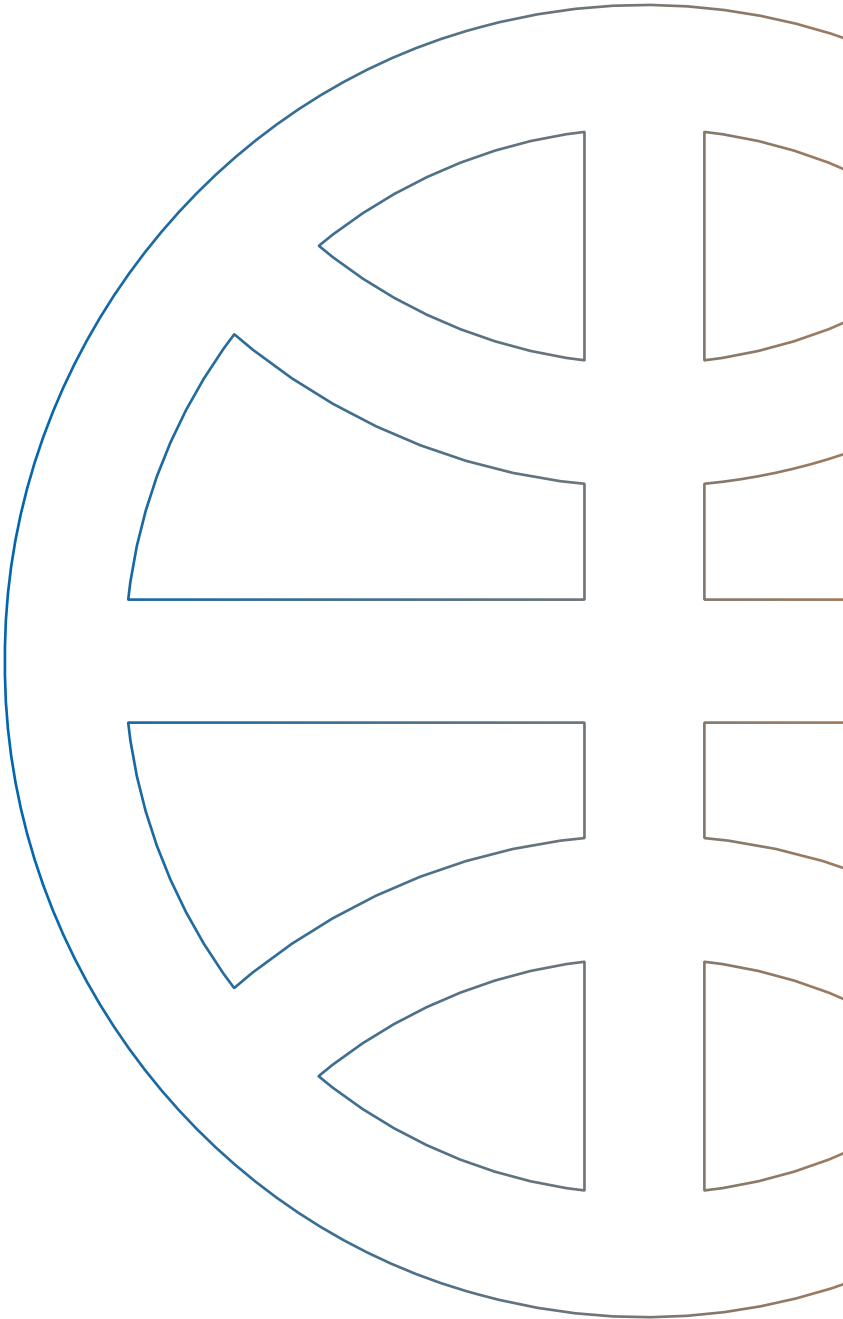
Contained within this report are forward-looking statements encompassing a range of future projections. While grounded in what CIB's management deems to be reasonable assumptions, there is no guarantee that these forward-looking statements will ultimately prove accurate, as actual outcomes and forthcoming events may significantly deviate from the anticipated scenarios. Moreover, the ESG Information presented herein relies on current or past objectives, targets, pledges, assessments, presumptions, standards, methodologies, and internal control frameworks, alongside presently accessible data, which are subject to ongoing evolution and refinement.

Mistakes and Typographical Errors

Any errors identified subsequent to the report's release will be rectified and documented on the Bank's website. CIB's reports are available for download in PDF format from the [Bank's website](#).

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Introduction

Responsible Banking Journey



RESPONSIBLE BANKING JOURNEY

In today's intricate sustainability landscape, there is a pressing need for profound change towards an economic model that respects planetary limits and human welfare. Banks play a crucial role in this transformation, wielding significant influence over economic processes and financial flows, and thus have the power to drive meaningful change. A responsible and impactful approach to banking should steer the economy towards sustainability, resilience, and prosperity.

In pursuit of its vision of Responsible Growth, CIB formulated its Sustainable Finance (SF) Strategy, seamlessly integrated into the Bank's Corporate Strategy. This ensures the comprehensive implementation of sustainability mandates across the organization, addressing the six principles of the PRB. The SF strategy aims to foster synergies among various departments of the Bank and mainstream sustainability throughout its operations via eight "Sustainable Finance System and Strategy Workstreams." These workstreams serve as the implementation arm of CIB's sustainable finance strategy, facilitating the continuous integration and execution of the SF Policy and Strategy across the organization. Each workstream corresponds to CIB's core business lines and support functions, ensuring effective implementation of one or more PRB principles.

CIB's journey towards aligning its goals and strategy with international commitments and frameworks begins with understanding the multifaceted climate and socioeconomic impacts at national and global levels. This alignment not only complements, but also advances CIB's commitment to various international agendas, such as the UN SDGs, the Paris Agreement, Africa Agenda 2063, Egypt Vision 2030, and the [United Nations Sustainable Development Cooperation Framework \(UNSDCF\) 2023-2027](#). Additionally, it reinforces CIB's integration of globally recognized ESG frameworks, ensuring a holistic and forward-looking approach to sustainability. By adopting a nested approach, CIB ensures that its local frameworks contribute to global priorities while addressing unique regional challenges.

While striving to align with national, regional, and global ESG-related directives, it is crucial for the Bank to monitor and report on its sustainable actions and strategies. Therefore, CIB adheres to widely recognized frameworks, such as GRI, SASB, TCFD, UNGC, and the PRB, facilitating unified reporting and disclosure. The Bank's performance on platforms like the CDP provides a quantitative basis for benchmarking its sustainability efforts.

CIB invests in building organizational capacity to align with diverse commitments and frameworks, delivering both sustainability and business results, and leveraging each framework to inform different aspects of its development.

This report outlines CIB's progress in implementing the PRB's six principles during the reporting period from January 1st to December 31st, 2023. It reflects CIB's reassessment of its status quo, identification of new gaps and leverage points, and ongoing efforts to develop high-level action pathways towards sectoral decarbonization and financial inclusion. Anchored in CIB's Corporate Strategy, these pathways contribute to strengthening [Egypt's National Climate Change Strategy 2050 and the Central Bank of Egypt's Financial Inclusion Strategy 2022-2025](#).

Prepared in line with the [official reporting template](#) and utilizing updated impact assessment tools, this report marks a significant step in CIB's transition towards integrated reporting, exemplifying its commitment to transparency and accountability. Readers can expect a more comprehensive overview of the Bank's ESG and financial performance in the upcoming integrated report.



Principle 1 Alignment

1.1 Business Model

1.2 Strategy Alignment



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 Sustainable Development Goals, 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 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.

Response

With over 2 million clients in Egypt, CIB offers its customers a broad range of financial products and services. Of the Bank’s total gross income in 2023, 37% was attributed to Corporate Banking, 26% to Consumer Banking, 11% to Business Banking (SMEs), 12.5% to investment activities, and 13.5% to Asset Liability Management.

Widely recognized as Egypt’s leading preeminent corporate Bank, CIB serves enterprises ranging from industry-leading corporates to medium-sized businesses through our Institutional Banking, Corporate Banking, and Global Customer Relations groups.

At the retail level, activities are subdivided into two major lines of business: Business Banking, which serves over 89,000 SMEs with revenues ranging from EGP 1 million to over EGP 200 million. Consumer banking, the second line of business, serves a broad range of retail client in different customer segments (Prime, Plus, Wealth, or Private), offering an extensive bundle of products and services tailored to satisfy personal needs.

CIB has launched two representative offices in Dubai and Addis Ababa since 2005 and 2019, respectively. In January 2023, it anchored its regional presence with the acquisition of the remaining 49% stake in Mayfair Kenya CIB Bank Limited, making it the first fully owned subsidiary of CIB outside Egypt. The acquisition aims to operate CIB Kenya as a business and digital hub within the region, facilitating CIB’s strategy to expand across the East African region.

Links and references

- Website: ir.cibeg.com
- [CIB Separate Financial Statements \(December 2023\)](#)
- [CIB’s 2023 Annual Report](#) (p. 35-36, 80-106)

#1
private-sector Bank in Egypt
in terms of revenues, net
income, deposits, and total
assets.

208
Total Branches
and Units

Greater Cairo: 124 branches
Alexandria Region: 31 branches
Delta Region: 17 branches
Upper Egypt Region: 15 branches

1. 2 Strategy Alignment

Does your corporate strategy identify and reflect sustainability as a strategic priority(ies) for your Bank?

☒ Yes

☐ No

Please describe how your Bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your Bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

☐ UN Guiding Principles on Business and Human Rights

☐ International Labour Organization fundamental conventions

☒ UN Global Compact

☐ UN Declaration on the Rights of Indigenous Peoples

☒ Any applicable regulatory reporting requirements on environmental risk assessments, e.g., on climate risk - please specify which ones:

- [CBE Circular on Sustainable Finance Regulation No. 737, issued on 3 November 2022](#)

- [CBE Circular on Guiding Principles on Sustainable Finance, issued on 18 July 2021](#)

- [FRA Decree 107 and 108, passed in 2021](#)

☒ Any applicable regulatory reporting requirements on social risk assessments, e.g., on modern slavery - please specify which ones:

- [CBE Circular on Sustainable Finance Regulation No. 737, issued on 3 November 2022](#)

- [CBE Circular on Guiding Principles on Sustainable Finance, issued on 18 July 2021](#)

- [FRA Decree 107 and 108, passed in 2021](#)

☐ None of the above

Response

CIB's Alignment with National & Regional Sustainability Frameworks: Globally, CIB has strategically positioned itself by aligning with the UN Sustainable Development Goals (SDGs) and the Paris Climate Agreement. This alignment is further reinforced through the Bank's focus on climate as a core component of its Sustainable Finance Strategy. This includes transition planning via sustainable finance and scenario analysis to manage low carbon emissions. Currently, CIB is working on developing a decarbonization plan, aligning portfolios with the Paris Agreement, and setting Greenhouse Gas (GHG) emission reduction targets across selected key carbon-intensive sectors. The Bank further subscribes to multiple international ESG frameworks and coalitions contributing to these agendas, as detailed in [6.2. Reporting Frameworks](#) of this report.

On the domestic front, CIB's strategic initiatives are in harmony with Egypt Vision 2030 and the Egypt National Climate Change Strategy 2050, demonstrating a commitment to advancing financial inclusion as outlined in the Central Bank of Egypt's Financial Inclusion Strategy for 2022-2025. Moreover, CIB actively participates in numerous international ESG frameworks and coalitions, which are extensively documented in section [6.2. Reporting Frameworks](#) of the report.

Links and references

- [Sustainable Finance – Our Approach](#)
- [Sustainable Finance Policy Statement](#)
- [Investor Relations Presentation Q4 2023](#)
- [CIB 2023 Annual Report \(p. 45-78\)](#)
- [CIB Separate Financial Statements \(December 2023\)](#)
- [CIB ESGDD 2022-2023 Integrated Report \(p. 15-19\)](#)
- [CIB TCFD Report 2021-2022 \(p. 22-29\)](#)



Principle 2

Impact and Target Setting

2.1 Impact Analysis

2.2 Target Setting

2.3 Target Implementation & Monitoring

Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and the environment resulting 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 (Key Step 1)

Show that your Bank has performed an impact analysis of its portfolio(s) to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly¹ and fulfil the following requirements/elements (a-d)²:

a) Scope: What is the scope of your Bank's impact analysis? Please describe which parts of the Bank's core business areas and products/services across the main geographies in which 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.

Response

In 2022, CIB conducted a thorough impact analysis of its portfolio using the UNEPFI Portfolio Impact Analysis Tool (Version 3). This analysis aimed to identify the most significant positive and negative impact and hence prioritize areas for target setting. The assessment covered CIB's core business areas: Corporate, Business, and Consumer Banking, which together accounted for 74% of the total gross income. For Financial Year (FY) 2023, CIB reviewed its portfolios and confirmed no major changes occurred, validating the FY 2022 portfolio impact assessment.

The analysis revealed Climate Change and Financial Inclusion as the two most significant impact areas, and specific targets were established for each. In this reporting period, CIB's primary focus is to show progress on the targets set in the previous year.

Links and references

- Detailed information on the Bank's scope included within the impact analysis can be found in [CIB's PRB Report covering FY 2022 \(p. 12-13\)](#)
- [CIB Separate Financial Statements \(December 2023\)](#)
- [CIB 2023 Annual Report \(p. 8, 188\)](#)

¹ That means that when the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded, as well as the quality of the impact analysis improved over time.

² Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

b) Portfolio composition: Has your Bank considered the composition of its portfolio (%) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope:

- i) by sectors & industries³ for business, corporate, and investment banking portfolios (i.e., sector exposure or industry breakdown in %), and/or
- ii) by products & services and by types of customers for consumer and retail banking portfolios.

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.

Response

CIB has considered the composition by sector for its corporate and business banking portfolios simultaneously analyzing its consumer banking portfolio by product type. For FY 2023, the Bank revisited its portfolio to ensure no major changes occurred and confirms that while the percentage of the sectors has shifted slightly, given the diversity and changes in the economy, no major changes were witnessed, and the portfolio assessment of FY 2022 is still valid.

Corporate and Business Banking portfolio: (collectively contributing to 78% of CIB's loan portfolio)

The Bank analyzed the impact of its major sectors under its portfolio consisting of the following:

Petroleum, Tourism, Construction, Real Estate, Telecom, Manufacturing of Food and Beverages, Electronics, Non-Bank Financial Institutions, Textiles, Power Generation, and Pharmaceuticals.

Consumer Banking portfolio: (contributing to 22% of CIB's loan portfolio)

CIB analyzed 100% of its consumer assets and liabilities covering the following:

Consumer Loans and Overdrafts, Mortgages, Credit Cards, Auto Loans, Certificates of Deposits, Savings Accounts, and Current Accounts.

Links and references

Detailed information on the Bank's Portfolio composition included within the impact analysis can be found in CIB's [PRB Report covering FY 2022](#) (p. 12-13)

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 operate⁴? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your Bank's portfolio impacts into the context of society's needs.

Response

CIB utilized the UNEP-FI context analysis module to assess the main challenges and priorities affecting its operations across global, national, and local levels. This analysis was instrumental as it confirmed that the priority challenges facing Egypt that intersect with our own business activities and potential impact areas are:

1. **Availability, Accessibility, Affordability, Quality of Resources and Services** (*availing products and/or services that meets the population's needs based on socioeconomic assessments*)
2. **Climate Stability** (*based on greenhouse gas emissions*)
3. **Socioeconomic Convergence** (*Equality and Justice-based on population and individual levels*)

By recognizing and understanding these critical areas, CIB aims to tailor its approaches and initiatives to effectively address these challenges and contribute to positive outcomes on multiple levels.

Links and references

Detailed information on the Bank's scope included within the impact analysis can be found in [CIB's PRB Report covering FY 2022](#) (p. 12-13)

³ Key sectors relative to different impact areas, i.e., those sectors whose positive and negative impacts are particularly strong and are particularly relevant here.

⁴ Global priorities might alternatively be considered for Banks with highly diversified and international portfolios.

Based on these first 3 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 (see 2.2) ⁵ ? Please disclose.	
<p>CIB cross-referenced the outcomes of the impact analysis with its current internal mandate, national direction, regional risks, and global coalitions relevant to its strategy, and identified the following impact areas:</p> <ol style="list-style-type: none"> 1. Climate Change 2. Financial Inclusion 	<p>Links and references</p> <p>Detailed information on the Bank's context analysis can be found in CIB's PRB Report covering FY 2022 (p. 14-17)</p>
<p>d) For these (min. two prioritized impact areas): <u>Performance measurement</u>: Has your Bank identified which sectors & 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.</p> <p>In determining priority areas for target-setting among its areas of most significant impact, you should consider the Bank's current performance levels, i.e., qualitative and/or quantitative indicators and/or proxies of the social, economic, and environmental impacts resulting from the Bank's activities and provision of products and services. If you have identified climate and/or financial health and inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex. If your Bank has taken another approach to assess the intensity of impact resulting from the Bank's activities and provision of products and services, please describe this.</p> <p>The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.</p>	
<p>Response</p> <p>Climate Change indicators:</p> <p>CIB measures and discloses its financed emissions in accordance with the PCAF and IEA. In 2022, the Bank's assessment was initiated by evaluating the financed emissions linked to the power generation and commercial and residential real estate sectors, setting intermediate targets for each.</p> <p>Developments on climate activities are disclosed in the CIB ESGDD report under the Environment pillar.</p> <p><i>You can find CIB's indicators and KPIs listed under 2.2b Baseline.</i></p>	<p>Links and references</p> <ul style="list-style-type: none"> • Further details on CIB's portfolio financed emissions assessment can be found in the report: Advancing the Transition to Net-Zero: Corporate Loan Portfolio Financed Emissions 2023. • CIB ESGDD 2022-2023 Integrated Report (p. 53-54, 69-71) <p><i>Further updates shall be specified in CIB's upcoming ESGDD Report</i></p>

⁵ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis, as described in a), b), and c), will be important. This can be achieved through stakeholder engagement and further geographic contextualization.

Financial Inclusion indicators:

CIB has pinpointed its consumer portfolio and microfinance portfolio as the areas with the greatest exposure and relevance to the Bank's impact on financial inclusion. CIB aims to cater to underserved segments from various backgrounds through diverse financial models, schemes, and partnerships. The Bank endeavors to reach underserved segments through its microfinance institution (MFI) lending, enhanced and targeted Bank offerings, as well as conducting financial literacy and awareness on-ground partnerships and initiatives.

In tandem with its financial inclusion strategy, CIB has been additionally working on providing inclusive facilities and accessible solutions that enable people with disabilities to use and benefit from CIB's product offerings and services. CIB developed videos with sign language for the Bank's main product features and terms & conditions, which are available through screens in CIB's branches, the official website, and social media channels. Additionally, around 70% of CIB's ATMs are currently designed to serve individuals with disabilities. Besides that, 61 of CIB's branches are equipped with suitable infrastructure to assist the service and navigation of this segment through ramps, sliding doors, special needs tellers, and toilets. The branches network, along with CIB's L&D, are currently working on having a minimum of 2 employees per branch trained in special needs etiquette and sign language, noting that CIB currently has around 1,400 employees who have received the training in the last 2 years.

You can find CIB's indicators and KPIs listed under [2.2b Baseline](#).

Self-assessment summary:

Which of the following components of impact analysis has your Bank completed to identify the areas in which your Bank has its most significant (potential) positive and negative impacts?⁶

- Scope: ☒ Yes
- Portfolio composition: ☒ Yes
- Context: ☒ Yes
- Performance measurement: ☒ Yes (for CFHI) ☒ In progress (for NZBA)

Which most significant impact areas have you identified for your Bank as a result of the impact analysis?

- Climate change mitigation
- Financial health & inclusion

How recent is the data used for and disclosed in the impact analysis?

- ☐ Up to 6 months prior to publication
- ☒ Up to 12 months prior to publication (for CFHI)
- ☐ Up to 18 months prior to publication
- ☒ Longer than 18 months prior to publication (for NZBA)

⁶ You can respond "Yes" to a question if you have completed one of the described steps, e.g., the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

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

The targets⁷ 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:

a) Alignment: Which international, regional, or national policy frameworks to align your Bank's portfolio with⁸ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national, or regional frameworks.

You can build upon the context items under 2.1.

Response

Climate Change:

CIB's climate targets have been developed in alignment with the ninth pillar of the [Egypt SDS 2030](#), the just transition, and appropriateness to national capabilities depicted within [Egypt's second updated NDC](#), as well as the scope of [Egypt's National Climate Change Strategy \(NCCS\) 2050](#). In line with the Paris Agreement, CIB became a founding signatory of the NZBA in April 2021, aiming to identify the highest carbon-intensive sectors within its portfolio. The Bank is also considering climate risks and opportunities supported by the scope of the TCFD framework.

Financial Inclusion:

As a founding signatory of the PRB's Commitment to Financial Health and Inclusion (CFHI), CIB published its targets in line with the commitment's boundaries and timeline. The targets rely on the pillars and enablers defined under the [CBE Financial Inclusion Strategy \(2022-2025\)](#) and work on fulfilling the third focus area of [Egypt's National Human Rights Strategy \(2021-2026\)](#) and the [National Strategy for the Empowerment of Egyptian Women 2030](#). The Bank's primary target audiences encompass the underbanked, the unbanked, rural communities, women, youth, and individuals with disabilities, consistent with the CBE's priorities, focus areas, and initiatives.

Links and references

⁷ Operational targets (relating to, for example, water consumption in office buildings, gender equality on the Bank's management board, or business-trip-related greenhouse gas emissions) are not in scope of the PRB.

⁸ Your Bank should consider the main challenges and priorities in terms of sustainable development in your main country(ies) of operation for the purpose of setting targets. These can be found in National Development Plans and Strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the Bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

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.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.

If your Bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators, and the corresponding indicator codes.

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact-driven targets, please disclose these.

Response

Climate Change:

Following the methodology of the PCAF and IEA standard to assess the portfolio emissions associated with its corporate loans, CIB has determined and set its scope of the targets and baseline year for FY 2021. The following indicators are applicable:

Action indicators		
Indicator Code	Response options	Response
A1.1 Climate strategy: Does your Bank have a climate strategy in place?	Yes	CIB has identified climate and transition planning as a major part of its Sustainable Finance Strategy embedded within the CIB Corporate Strategy.
A1.2 Paris alignment target: Has your Bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when?	In progress	CIB determined two interim targets covering its Power Generation and Commercial & Residential Real Estate Sectors.
A1.3 Policy and process for client relationships: Has your Bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?	Yes	In line with its Sustainable Finance Policy, CIB targets both corporate and business banking clients to ensure proper capacity building, technical assistance, and tailored financial solutions are provided under multiple initiatives, including its Sustaining Sectors and Sustaining SMEs client engagement initiatives.
A1.4 Portfolio analysis: Has your Bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?	Yes	CIB has analyzed its corporate loan portfolio in accordance with the GHG Protocol's Scope 3, Category 15. Additionally, as a founding signatory of the NZBA, the bank has published two corresponding reports.

Links and references

Output indicators

Indicator Code	Response options	Response
A1.5 Business opportunities and financial products: Has your Bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy-efficient mortgages, green loans, green bonds, green securitizations, etc.)?	Yes	Multiple products have been issued within the market, including the following: - CIB Green Bond - Environmental Compliance Office (ECO) - Egyptian Pollution Abatement Program "EPAP III" - Agricultural Development Program (ADP) - IFC Managed Co-Lending Portfolio Program (MCPPI)
A2.3 Sector-specific emission intensity (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector?	Please specify which sector.	The 2021 baseline for Power Generation is 2,112 tCO ₂ e/\$M loaned, and for its Commercial & Residential Real Estate Sector is 17 tCO ₂ e/\$M loaned (subject to amendments as per changes within the emission factor provided by PCAF).
A2.4 Proportion of financed emissions covered by a decarbonization target: What proportion of your Bank's financed emissions is covered by a decarbonization target, i.e., stemming from clients with a transition plan in place?	% (denominator: financed emissions in scope of the target set).	Power Generation: 3.5% exposure from the total corporate loans portfolio. Commercial & Residential Real Estate: 5.2% exposure from the total corporate loans portfolio.

Financial Inclusion:

In line with the CFHI scope, CIB set its baseline values for FY 2022 focusing initially on its consumer portfolio.

KPI	Baseline Value (2022)	2023 Values
The number of products and services provided by CIB in the portfolio with a focus on financial inclusion	6	5 ⁹
The percentage of relevant CIB employees supported with effective training on financial inclusion and health	58%	60.37%
The number of partnerships active to achieve financial inclusion targets	4	6
The percentage of active CIB customers out of CIB total customer base	94.45%	92.20%
Penetration rate: the number of subscribed online banking customers over the total number of customers in CIB	66.28%	69.43%
Activity rate: the number of online banking customers who logged in at least once in the last 3 months over the total number of online banking customers	61.93%	57.83%
The percentage of non-performing loans and advances across the Bank	4.82%	3.57%

⁹ It should be noted that at the end of 2022, CIB was piloting a new mobile wallet. However, due to a shift in strategic direction, it has been decommissioned in 2023. However, this does not deter the Bank from providing digital solutions to its customer base and the general society. Additionally, CIB is also working on issuing multiple financial inclusion-focused products.

c) SMART targets (incl. key performance indicators (KPIs)¹⁰: 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 towards reaching the target? Please disclose.

Response

Climate Change:

In 2022 CIB set the following interim targets for the below two sectors:

Power Generation:

49% reduction in emissions intensity by 2030 from the 2021 base year (reaching 0.165 tCO₂e/MWh by 2030, down from 0.33 tCO₂e/MWh in 2021).

Commercial and Residential Real Estate:

44% reduction in absolute emissions by 2030 from the 2021 base year (reaching 4,685 tCO₂e by 2030, down from 8,366 tCO₂e in 2021).

Financial Inclusion:

In 2022, the Bank set a target to raise the share of women micro-entrepreneurs receiving microfinance to 50%, up from 44% in 2021. CIB's FY 2023 portfolio comprised 55% women, exceeding its target set the previous year of 50%. By the end of 2023, women entrepreneurs accounted for 46% of CIB's microfinance outstanding facilities and 13% of SME outstanding facilities. Going forward, CIB will aim to maintain a female presence in the range of 45-55% of its total portfolio.

On the retail side, CIB aims to further develop its product portfolio and introduce four new products to the market by 2026. These products will be tailored to target CIB priority segments and areas under the national financial inclusion umbrella. Additionally, the Bank plans to increase the percentage change of new-to-Bank customers (NTB) by 13% during 2024, aiming for a total cumulative growth in the number of NTB individuals to reach 40% compared to CIB's customer base from the end of the baseline year 2021 until the end of 2024. CIB updates its NTB target annually in line with Egypt's Central Bank's Financial Inclusion Strategy. It is noteworthy that the Bank has met its cumulative growth target, reaching 31% of CIB's customer base from the baseline of 2021 until the end of 2023.

Links and references

- [UNEP-FI Commitment to Financial Health and Inclusion - Summary Report - July 2023](#) (p. 20-21)

Further updates shall be specified in CIB's upcoming ESGDD Report.

¹⁰ Key Performance Indicators are chosen indicators by the Bank for the purpose of monitoring progress towards targets.

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

Please also show that your Bank has analysed 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.

Response

Given the direction and expected outcomes of each commitment, the Bank has already set and is continuously working on improving its activities and actions related to climate and financial inclusion. The following provides a brief overview of CIB's current measures:

Climate Change:

CIB is in the process of signing a partnership with IFC to extend technical assistance to help CIB develop a robust transition finance and sectoral decarbonization plan for its carbon-intensive sectors. This Transition Plan will support CIB in building internal knowledge and capacity to meet CIB decarbonization targets and developing transition products.

Financial Inclusion:

Amongst its specific initiatives aimed at supporting women, youth, individuals with disabilities, and micro, small, and medium enterprises (MSMEs), CIB plans to increase its credit facilities extended to NGOs that focus on assisting women entrepreneurs, depending on their annual financial performance and portfolio quality. By actively expanding its outreach and engaging with new NGOs classified under category A¹¹ and companies boasting experienced management and reputable shareholding structures, CIB increased the indirect finance extended to the micro-finance beneficiaries; thereby supporting those, who would not typically be eligible for mainstream borrowing from Banks.

Links and references

- Further details on CIB's portfolio financed emissions assessment¹¹ and climate targets can be found in the report:

[Advancing the Transition to Net-Zero: Corporate Loan Portfolio Financed Emissions 2023](#)

- [CIB ESGDD 2022-2023 Integrated Report](#) (p. 53-54, 69-71)

Further updates shall be specified in CIB's upcoming ESGDD Report.

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your Bank completed or is currently in a process of assessing for your...

	...first area of most significant impact: ...(Financial Inclusion)	... second area of most significant impact: ...(Climate)	...your third (and subsequent) area(s) of impact (if you are setting targets in more impact areas): ...(please name it)
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

¹¹ Category A is defined as NGOs with a loan portfolio larger than EGP 50 million.

2.3 Target Implementation and Monitoring (Key Step 2)

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 towards 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.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response

Climate Change:

CIB is currently developing and enhancing its high-level decarbonization action plan for its clients. Further developments and progress can be found within the Bank's [ESGDD report](#).

Financial Inclusion:

In Microfinance Line of Business: As of year-end 2023, women accounted for 47% of outstanding microfinance facilities funded by CIB and 55% of the number of financed entrepreneurs, reflecting the Bank's commitment to supporting female entrepreneurs in accessing financial services.

In SME Line of Business: Women entrepreneurs represented 13% of outstanding SME facilities funded by CIB through Non-Bank Financial Institutions, highlighting ongoing efforts to promote gender diversity and inclusion in SME financing.

In Consumer Banking Line of Business: The Bank successfully achieved its cumulative growth target, expanding its customer base to encompass 31% of CIB's total customer base by the end of 2023. This milestone demonstrates significant progress in enhancing financial inclusion and accessibility for a broader segment of the population.

Links and references



Principle 3: Clients & Customers

3.1 Client Engagement

3.2 Business Opportunities

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

Does your Bank have a policy or engagement process with clients and customers¹² in place to encourage sustainable practices?

☒ Yes ☐ In progress ☐ No

Does your Bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

☐ Yes ☒ In progress ☐ No

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 activities¹³. 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.

This should be based on and in line with the impact analysis, target-setting, and action plans put in place by the Bank (see P2).

Response

CIB's well-trained workforce has been engaging with our clients at the corporate, SME, and consumer levels, leveraging our strategic partnerships with multilateral development partners to educate and create client awareness of various sustainability products.

Corporate Clients Engagement

CIB's "Sustaining Sectors" program supports corporate clients in transitioning to a low-carbon model by encouraging the adoption of sector-specific decarbonization pathways. Through tailored tools, training, and financial products, it integrates sustainable practices into business models. Workshops and awareness sessions are launched to facilitate discussions and collaboration within CIB portfolio industries.

Over the past year, the Bank conducted 18 walkthrough audits with its clients, aiming to identify potential environmental solutions that transition the business to a low-carbon one.

In 2023, CIB also supported the success of multiple projects under its Sustaining Sectors initiative and Green Bond program in collaboration with IFC:

SODIC's Eastown District New Cairo (EDNC) and NEWGIZA University projects have achieved the prestigious EDGE Advanced certification. SODIC's flagship commercial project, EDNC, was certified with EDGE Advanced certification, marking it as the first certified business park in Egypt. The EDNC project achieved a 40% reduction in energy consumption, a 33% reduction in water usage, and a 22% reduction in embodied energy in materials. Similarly, NEWGIZA University received the EDGE Advanced certification. NEWGIZA University was also awarded a grant covering 2.8% of the USD equivalent loan required for constructing the Faculty of Engineering building. The university succeeded in reducing its energy consumption by 46%, water usage by 54%, and raw material consumption by 30%, making it eligible for the EDGE Advanced certification.

Links and references

- [CIB ESGDD 2022-2023 Integrated Report](#) (p. 68-78)
- [CIB 2023 Annual Report](#) (p. 82-95, 144-150)

¹² A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹³ Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

<p>SME Client Engagement</p> <p>Under the “Sustaining SMEs program,” the Bank partnered with the German Agency for International Cooperation (GIZ) to utilize their technical know-how to advance sustainable practices throughout the Egyptian financial sector by conducting awareness sessions and technical assessments. Tailored workshops are offered to CIB clients on environmental solutions and their business case. Additionally, gender has also been at the forefront of the business banking LoB’s agenda. Multiple programs have been launched to support women in business. CIB and Visa’s “She’s Next” initiative, for example, took place, supporting and empowering the rising number of female entrepreneurs as they run, fund, and grow their businesses.</p> <p>Financial Inclusion Engagement</p> <p>CIB actively promotes financial literacy and inclusion through digital campaigns and on-the-ground activations, aiming to enhance socioeconomic and environmental well-being among clients. The Bank prioritizes financial education for marginalized groups like SMEs, blue-collar workers, freelancers, women, youth, and people with disability, aligning with CBE initiatives. Initiatives include activities on Arab Financial Inclusion Day and targeted campaigns. CIB collaborates with entities like the National Council for Women and the American University in Cairo for financial literacy sessions. Moving forward, CIB plans to refine communication strategies and expand sustainability awareness sessions to support clients’ well-being transitions further.</p>	
<p>3.2 Business Opportunities</p> <p>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 percentage 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.).</p>	
<p>Response</p> <p>CIB supports clients’ transition with a comprehensive range of financial and non-financial services across corporate, business, and consumer banking.</p> <ul style="list-style-type: none"> • In 2021, CIB issued a green bond worth USD 100 million, making it the first Bank to issue green bonds in the private sector. CIB witnessed business growth under its Green Bond Program, the first of its kind in Egypt, where USD 121 million were cumulatively approved by the CIB Green Bond Taskforce and the IFC ,as of December 31st, 2023. • On June 30th, 2023, CIB also signed a USD 100 million “IFC Managed Co-Lending Portfolio Program (MCPPI)” with the IFC to finance environmentally friendly projects, including water treatment and efficiency, green buildings and renewables, as well as sustainable agriculture projects. • CIB signed a cooperation agreement with GIZ to promote sustainable advancements in the SME sector in Egypt. The cooperation aims to introduce a sustainable finance lending product to CIB’s customers in specific industries to upgrade their fixed assets into more sustainable ones. The purpose of this credit program is to incentivize our SME clients to invest in low-carbon technologies. The new offering is developed in collaboration with Frankfurt School in the context of the GIZ-funded project “Promoting Sustainable Financing” in Egypt. • Programs like the Business Solutions Program and Growing Together Initiative help companies manage and grow sustainably. CIB remains dedicated to innovating its offerings to promote sustainability and support client growth. • CIB promotes financial inclusion through lending to microfinance institutions, which in turn lend to financially excluded groups, namely youth, women, people with disability, and farmers. It is worthy to highlight that CIB’s microfinance loan portfolio is one of the largest amongst commercial banks, thereby empowering the less privileged by extending finance to those who are not eligible to directly borrow from banks. 	<p>Links and references</p> <p>More information about CIB’s initiatives can be found on the Bank’s website:</p> <ul style="list-style-type: none"> • 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 • CIB 2023 Annual Report (p. 68-69)

Social Sustainability Bonds

- CIB has played a significant role in issuing **social sustainability securitization bonds worth EGP 3.806 billion** for Tasaheel Finance, a subsidiary of MNT Halan. As the financial advisor, exclusive issuance manager, guarantor, and underwriter, CIB structured these bonds into six tranches, each with distinct terms, payment priorities, credit ratings, and returns. Moody's rated the bonds SQS1 - Excellent for their adherence to social sustainability principles set by the International Capital Market Association (ICMA) and awarded them a "High" rating for their significant contribution to sustainability. This issuance is part of a larger EGP 13 billion bond program approved by the Financial Regulatory Authority (FRA), set to be executed over three years. Tasaheel offers financing programs for Egyptian citizens who do not deal with the banking sector, and the most important of these programs are rapid digital financing, microenterprises, and SMEs. The bond combines the possibility of achieving competitive returns and ensuring investment in sustainable social projects at the same time, addressing financial inclusion and job creation.

Mortgage Financing

- In a significant move to support low and middle-income citizens, the Social Housing and Mortgage Finance Support Fund and CIB signed a cooperation protocol. This agreement aims to boost mortgage financing under the presidential initiative **"Housing for All Egyptians."** The protocol increases CIB's mortgage financing allocation by EGP 3 billion, bringing the total to EGP 7 billion. The initiative offers subsidized mortgage rates of 3%, 7%, and 8%, facilitating affordable homeownership. CIB's mortgage portfolio has already supported over 26,000 clients, amounting to EGP 4.3 billion. This collaboration reaffirms CIB's dedication to enhancing financial inclusion and supporting sustainable housing solutions across Egypt.

Institutional Banking

- In 2023, the CIB Institutional Banking function, which serves 27,494 agribusiness beneficiaries, approved developmental agri-loans worth a total of EGP 1.02 billion, of which around EGP 800 million is under the Agricultural Development Program (ADP) Sustainable Green Finance initiative. The launch of the initiative, in cooperation with the Ministry of Agriculture and Land Reclamation, has proven successful, with 80% of approved loan amounts coming under the initiative. Development Finance (DF) contributed to green funding under the EPAP Project through financing water treatment projects for textile factories, as well as solvent recovery units that absorb gases released by printing inks and recycle them in the production process.
- Additionally, in alignment with Egypt's Green Economy Strategy and the 2030 Sustainable Development Vision, the Bank co-financed the Fayoum Wastewater Expansion Program with the EBRD, the Egyptian government, the European Union's Neighbourhood Investment Facility (NIF), and the European Investment Bank (EIB). The project's overarching goal is to provide 86% of rural Fayoum with sanitation access, up from the current 32%.

CIB also extended a variety of environmental incentivized facilities and programs (e.g., EPAP III) to finance projects mainly operating in the fertilizers, chemicals, textiles, plastics, and packaging sectors.



Principle 4: Stakeholders

4.1 Stakeholder Identification and Consultation

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

Does your Bank have a process to identify and regularly consult, engage, collaborate, and partner with stakeholders (or stakeholder groups)¹⁴ you have identified as relevant in relation to the impact analysis and target setting process?

☒ Yes ☐ In progress ☐ No

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.

Response

As a leading financial institution, CIB believes that through sound engagement with key stakeholders, the Bank can advance its ESG ambitions and create value for investors, partners, clients, and the community at large. CIB hosts discussions with experts from the heavy-industry sectors it finances, to address trends, challenges, risks, and opportunities. Collaboration with clients, ministries, Multilateral Development Banks (MDBs), and Development Finance Institutions (DFIs) enhances CIB's sustainable finance offerings. Stakeholders include Development Financial Institutions, international organizations (e.g., UNEP-FI, GFANZ, WEF, CDP), governmental bodies, and academia.

As a prominent member of the Net-Zero Banking Alliance (NZBA) and the Principles for Responsible Banking (PRB), CIB plays a vital role in steering discussions at an international level. CIB's involvement in the NZBA Steering Group Meeting in London and the PRB Board meeting in the UK underscores its commitment to aligning global banking operations with net-zero emissions by 2050, fostering responsible banking practices.

CIB's global engagement extends to significant contributions to the Glasgow Financial Alliance for Net-Zero (GFANZ), where it is a key member of both the Africa Advisory Board and the Africa Network Working Groups. These platforms have allowed CIB to influence climate action across the African continent, emphasizing the importance of sustainability in financial practices.

Moreover, CIB maintains a strong presence in various global forums, such as the MENA Climate Week in Riyadh, where it hosted a side event on transition finance, and the Africa Climate Summit in Nairobi, highlighting the climate challenges and opportunities in Africa. CIB's proactive role in the World Economic Forum's Green Hydrogen Initiative and discussions on transitioning to green energy alternatives like hydrogen reflect its commitment to innovative climate solutions.

Links and references

- [CIB 2023 Annual Report](#)
(p. 50-51, 144-150)

¹⁴ Such as regulators, investors, governments, suppliers, customers, and clients, academia, civil society institutions, communities, representatives of indigenous population, and non-profit organizations.

CIB's engagement at COP28 was particularly notable, where it not only participated in panels discussing climate finance and green building but also played a strategic role in advocating for the scaling of net-zero transition efforts and strengthening regional carbon markets. Its active involvement in shaping the discourse at such international gatherings, paired with its leadership in regional initiatives, underscores CIB's pivotal role in advancing global and regional sustainability agendas. Through these engagements, CIB has effectively positioned itself as a leader in integrating environmental considerations into banking practices, driving forward the agenda for sustainable finance.

CIB proudly celebrates the success of the "Choices and Voices" event organized by the Women's Initiatives Network (WIN) on December 14th, 2023. This event aimed to empower women at the Bank and boost their confidence in their ability to succeed and lead. Since its inception in 2019, WIN has championed diversity and inclusion at CIB, empowering women within the Bank and across the workforce to pave the way for a brighter future. The initiative regularly hosts meetings and seminars with prominent female leaders in the business community, discussing strategies for success, career development, overcoming challenges, and leadership techniques. This ongoing effort reflects CIB's commitment to fostering an inclusive and supportive environment for all employees.

CIB participated in the 6th Job Fair at Nahda University in Beni Suef, as part of the "Your Dream Matters" initiative. This initiative aims to empower women and enhance their role in the banking sector and emphasized the importance of women's workforce participation, offering all graduates opportunities to apply for jobs. CIB's involvement reflects its commitment to supporting gender diversity and providing career opportunities for young professionals.

Furthermore, CIB sponsored the "Financial Careers" job conference to empower and guide young professionals in their career journeys. The event offered a valuable platform for connecting with talented youth eager to enter the financial sector. This initiative underscores CIB's commitment to actively participating in Egypt's top professional events and fostering the next generation of financial experts.

CIB also participated in the fourth edition of the American University in Cairo's Business Forum, where it discussed the latest developments in the S1 and S2 International Financial Reporting Standards (IFRS) for climate-related disclosures and addressed their implementation in Egypt. The forum, which gathered experts from academia, business, regulatory authorities, private sector firms, auditors, and consulting firms, explored the implications for investors and companies, as well as regional opportunities and challenges. CIB emphasized the importance of institutional cooperation in adopting these changes, underlining its leadership in advancing sustainability agendas and integrating environmental considerations into banking practices.



Principle 5: Governance & Culture

- 5.1 Governance Structure for Implementation of the Principles
- 5.2 Promoting a Culture of Responsible Banking
- 5.3 Policies and Due Diligence Processes

Principle 5: Governance & Culture



We will implement our commitment to these principles through effective governance and a culture of responsible banking.

5.1 Governance Structure for Implementation of the Principles

Does your Bank have a governance system in place that incorporates the PRB?

☒ Yes ☐ In progress ☐ No

Please 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 to support the effective implementation of the principles. This includes information about:

- which committee has responsibility over the sustainability strategy as well as 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)
- remuneration practices linked to sustainability targets

Response

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 BSC acts on behalf of the Board of Directors 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 environmental, social, and governance pillars across the Bank's policies, operations, functions, and lines of business. The SFSC meets quarterly; however, it convenes when deemed necessary.

Links and references

More information about CIB's governance can be found in the Bank's [2022-2023 ESGDD Integrated Report](#) (p. 38-39)

- [ESG Investor Relations Presentation](#)

- [CIB's website](#)

- [CIB's 2023 Annual Report](#) (p. 152-158)

5.2 Promoting a Culture of Responsible Banking

Describe the initiatives and measures of your Bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management, and leadership communication, amongst others).

Response

To enact a system-change towards integrating sustainability into its policies and culture, CIB emphasizes and promotes 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 the ESG pillars across its policies and culture, CIB understands that SFE is a crucial pillar to ensure a solid grasping of ESG's relevance for business growth and societal and environmental well-being. Pursuing its mission of instilling sustainable finance across its business, CIB builds on the solid credentials of its Learning and Development function to provide up-to-date, best practice sustainable finance training and capacity building for its employees, customers, and other stakeholders across different phases corresponding with the development of the framework.

An introductory sustainable finance module designed to shed light on the basic principles and pillars of sustainability is offered to all CIB staff Bank-wide. Other tailored and off-the-shelf sustainability courses are offered, targeting specific areas, while sustainable finance education has been mainstreamed and well-integrated into CIB's flagship Credit, SME, and Retail Courses.

Additionally, CIB has signed a Memorandum of Understanding (MoU) with LinkedIn Learning to enhance digital education for its employees. This partnership focuses on expanding employees' knowledge in technology through LinkedIn Learning's extensive library of over 20,000 instructional videos taught by industry experts. By providing access to this on-demand educational platform, CIB aims to drive the country's economic development through education and enable its employees to adapt to evolving industry dynamics.

CIB believes that achieving its climate and financial inclusion commitments relies heavily on well-informed and engaged employees who can promote CIB's sustainability products and services by developing a culture that is aligned with its strategic ambition.

Links and references

- [CIB's 2023 Annual Report](#) (p. 114-118)
- [CIB 2022-2023 ESGDD Integrated Report](#) (p. 81-90)

Further updates shall be specified in CIB's upcoming ESGDD Report.

5.3 Policies and Due Diligence Processes

Does your Bank have policies in place that address environmental and social risks within your portfolio?¹⁵ 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 aspects such as identification of significant/salient risks, environmental and social risk mitigation and definition of action plans, monitoring and reporting on risks, any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Response

CIB Sustainable Finance Policy Integration:

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

The following policies, policy guides, and standard operating procedures form the essential basis for managing significant social and environmental risks, as mandated by the Sustainable Finance Policy:

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

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 environmental and social (E&S) risk frameworks, such as the Equator Principles and the TCFD Climate Change Risk Management.

CIB's ESRMS consists of a set of policies, procedures, and tools that identify and manage a financial institution's exposure to the E&S 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 as well as the IFC and EBRD performance standards, and the Equator Principles.

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. CIB has been aligning with the framework since 2020 and completed the UNEP-FI TCFD Capacity Building Program in 2021.

Additionally, CIB has collaborated with IFC through 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 ideal climate targets.

Links and references

- More information about CIB's Environmental and Climate Risk Management can be found in the Bank's [2022-2023 ESGDD Report](#) (p. 46-48)

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

- [CIB Environmental Policy Statement](#)
- [Sustainable Finance Policy](#)

¹⁵ Applicable examples of types of policies are: exclusion policies for certain sectors/activities, zero-deforestation policies, zero-tolerance policies, gender-related policies, social due diligence policies, stakeholder engagement policies, whistleblower policies, etc., or any applicable national guidelines related to social risks.

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the principles through the Bank's governance system?

☒ Yes

☐ No

Does the governance system entail structures to oversee PRB implementation (e.g., including impact analysis and target setting, actions to achieve these targets, and processes of remedial action in the event targets/milestones are not achieved or unexpected negative impacts are detected)?

☒ Yes

☐ No

Does your Bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

☒ Yes

☐ In progress

☐ No



Principle 6: Transparency & Accountability

- 6.1 Assurance
- 6.2 Reporting on other Frameworks
- 6.3 Outlook
- 6.4 Challenges

Principle 6: Transparency & 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?

☐ Yes ☒ Partially ☐ No

If applicable, please include the link or description of the assurance statement.

Response

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

Links and references

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

6.2 Reporting on other Frameworks

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

- ☒ GRI
- ☒ SASB
- ☒ CDP
- ☐ IFRS Sustainability Disclosure Standards (to be published)
- ☒ TCFD
- ☒ Other:

Response

CIB has been issuing standalone sustainability reports since 2015, with its reporting approach continuously evolving over time. In 2023, the Bank transitioned to integrated reporting to enhance accessibility for all stakeholders.

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

Links and references

6.3 Outlook

What are the next steps your Bank will undertake the in next 12 month-reporting period (particularly on impact analysis¹⁶, target setting¹⁷, and governance structure for implementing the PRB)? Please describe briefly.

¹⁶ For example, outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context, and performance measurement

¹⁷ For example, outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans, etc.

Response

Links and references

CIB will revisit its portfolio impact assessment and assess the feasibility of expanding the scope to include the following:

- Its private equity portfolio
- CIB Kenya Ltd.

6.4 Challenges

Here is a short section to find out about challenges your Bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualize the collective progress of PRB signatory banks.

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).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|---|---|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the Bank | <input checked="" type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input type="checkbox"/> Data availability |
| <input type="checkbox"/> Conducting an impact analysis | <input type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input checked="" type="checkbox"/> Access to resources |
| <input checked="" type="checkbox"/> Choosing the right performance measurement methodology(ies) | <input type="checkbox"/> Reporting |
| <input type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input checked="" type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these.

CIB believes in enhancing its operations and environmental and social considerations. In striving to reduce and mitigate any negative impacts on the society and environment it may cause, the Bank has proactively joined multiple frameworks as it sees their business case and benefit to the Bank's portfolio. However, in doing so, the Bank is aware of the hurdles and gaps it faces as the leader in its sector to endeavor on such commitments. While these challenges are persisting, CIB still works to address them diligently and mobilizes its stakeholders to achieve the system change needed to utilize the available knowledge and resources to overcome its challenges and meet its commitments.



Independent Limited Assurance Statement



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 to leverage 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 over 100 projects across energy, environment, climate change & carbon footprint, circular economy, and green building (LEED), as well as corporate sustainability strategies, reporting, and certification. Masader is a GRI Certified Training Partner 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 December 31st, 2023.

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:

- Appropriateness of 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 intention, opinion, belief, and/or aspiration of CIB.
- 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 in 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.
- Ensuring 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 to ensure 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 the rationale behind them.

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

- Reviewing whether the targets set 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 the criteria regarding the base year and if they are SMART (Specific, Measurable, Achievable, Relevant, and Time-bound).
- Reviewing descriptions of the planned activities for meeting the targets, 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 Sustainable Development Goals 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 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 whether 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, in all material respects, with the PRB Template for the period ended 31 December, 2023. 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)



TRAINING PARTNER
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