



THE BANK TO TRUST

# The **System** Transformation

ESG REPORT 2021





THE BANK TO TRUST

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### **CIB Head Office (102-3)**

Address: 21/23 Charles De Gaulle Street - Nile Tower Building, Giza, Egypt

### **The Bank and References (102-1) - (102-5)**

Throughout this report, “CIB”, “the Bank” or “we” are referring to the Commercial International Bank (Egypt) SAE, established as a Joint Stock Company (S.A.E) under investment law no. 43 of 1974.

### **Scope of the Reporting Period and Cycle Covered (102-50/102-52)**

This is an annual report featuring the year ended 31 December 2021.

Some information before and after these dates may be included to emphasize relevant context to the reporting period.

### **Referenced Reporting Guideline (102-54)**

The report is prepared according to the Global Reporting Initiative (GRI)'s Sustainability Reporting Standards: Core option.

### **Date of Previous Report Sustainability (102-51)**

1 January 2020 to 31 December 2020

### **Forward-Looking Statements**

This sustainability report contains forward-looking statements on various future estimations and paramount considerations that are expected in the landscape of the banking industry, both nationally and regionally. While CIB's proven agility allows swift adaptation, there is no assurance of the magnitude nor the pace of such changes due to the rapid dynamics of the technologies and the markets we serve.

### **Mistakes and Typographical Errors**

Any errors discovered following publication of the report will be corrected and displayed on our website. In consideration to the environment, our reports are published as downloadable PDF files on our website.

### **For Further Information: (102-53)**

#### **Seif El Din Sadek**

E&S Management Systems Senior Officer  
seifeldin.sadek@cibeg.com  
Commercial International Bank (Egypt)  
Giza H.O. 21/23 Charle De Gaulle street, Giza

#### **Farah Sadek**

Sustainability Stakeholders Relations Officer  
farah.sadek@cibeg.com  
Commercial International Bank (Egypt)  
Giza H.O. 21/23 Charle De Gaulle street, Giza



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# Transformative Impact in 2021





## Chairman's Letter



It is now a necessity that businesses, communities, and countries all place the sustainability of our planet at the center of our efforts if we are to achieve transformational change.

Throughout 2021, sustainability became further instilled in CIB through a systematic approach that encompasses a progressive sustainable finance policy. We are well aware of the challenges brought on by climate change, gender disparity, and income inequality and have been working at every level across the Bank to ensure that we are addressing the needs of all our stakeholders on these fronts.

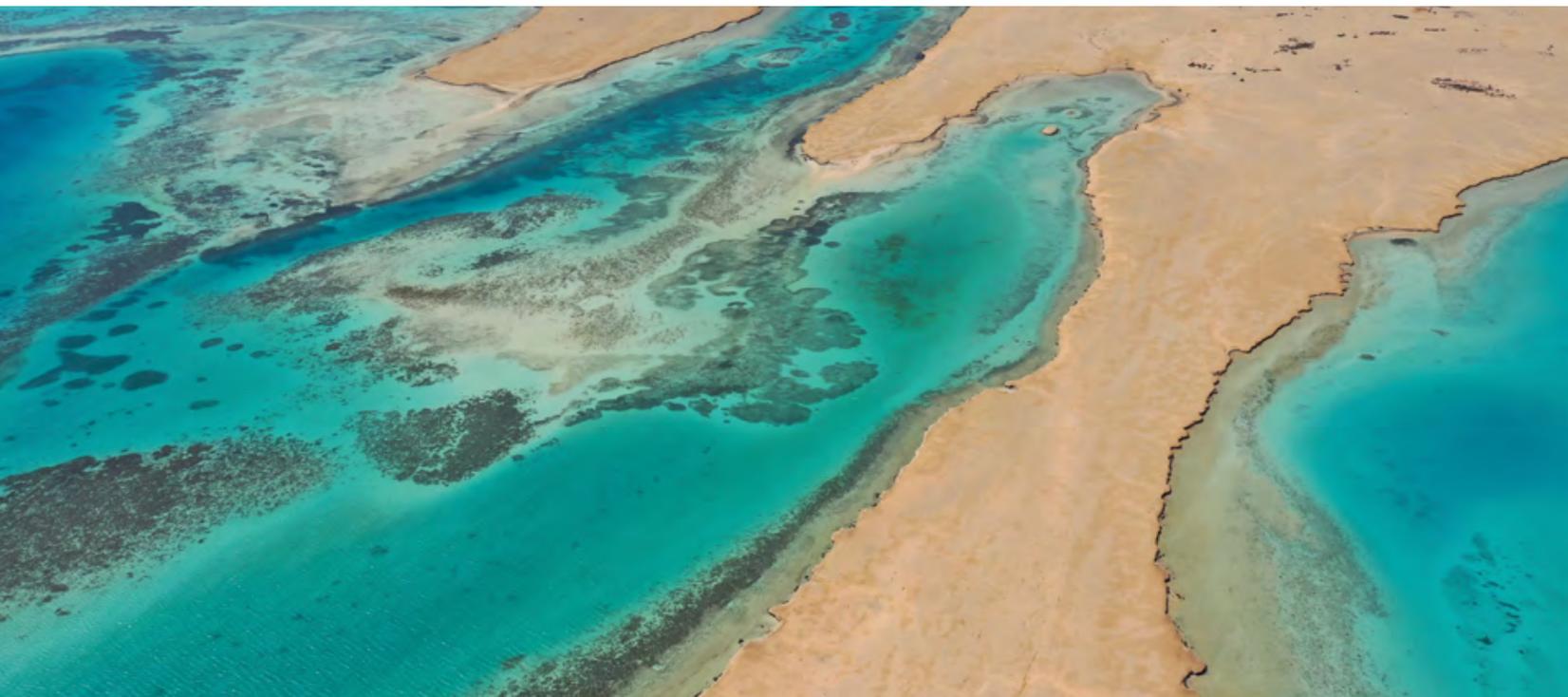
The achievements that are presented in this report are a true testament to the aspirations of the Bank's Board of Directors and the ambitious efforts made by the Bank's teams. Their hard work and forward-thinking have allowed CIB to transition towards increasingly transparent and effective sustainable finance processes both internally and externally.

The threat of climate change has placed the world at a crossroads; to move forward it is no longer enough to pledge

to become greener, it is now a necessity that businesses, communities, and countries all place the sustainability of our planet at the center of our efforts if we are to achieve transformational change. As Egypt prepares to host COP27 in November 2022, we look forward to being part of a constructive conversation on how the government and the private sector can work together to ensure positive outcomes for our future generations.

CIB's Sustainable Finance Department has been hard at work promoting synergies between the Bank's various units, with the objective of enhancing our environmental and social sustainability systems internally, with encouraging progress witnessed so far.

Externally, the Bank also continued to seek out partnerships with both regional and global entities with which we can



align on ESG targets, including the Task Force on Climate-related Financial Disclosures (TCFD). Seeking additional focus on accountability in 2021, CIB became the first Egyptian bank to join the TCFD, which goes hand in hand with Egypt's aspirations to transform into a green economy in alignment with Egypt Vision 2030, the Paris Climate Agreement, and the UN SDGs. As per TCFD guidelines, CIB will disclose information on financial risks and opportunities related to climate change to financial markets, investors, lenders, and stakeholders, ensuring transparency and instilling more local and international confidence in CIB's commitment to climate action.

Moreover, and to further cement our role as pioneers in sustainable development across Egypt and the region's financial sector, CIB published the first ecological footprint report in Africa in 2021. A step beyond standard carbon footprint reporting, it allows us to formulate a more integrated analysis of our overall impact on the environment in the most transparent manner available. We hope that this trendsetting initiative will encourage more institutions on the continent to do the same.

Perhaps CIB's great sustainability achievement of the year was the issuance of Egypt's first private-sector green bond, at a value of USD 100 million. The program aims to fund projects that promote sustainable climate solutions and address key environmental issues, such as the depletion of natural resources, loss of biodiversity, and air, water, or soil pollution. We are optimistic that this pioneering initiative will help propel Egypt forward in the transition towards a green economy.

As a firm believer in the cooperation between multilateral bodies who are committed to change, CIB also joined the Glasgow Financial Alliance for Net Zero (GFANZ) in 2021. Our Bank is also a founding signatory of the UN's Net-Zero Banking Alliance, a group of banks from a broad set of countries that are committed to aligning their lending and investment portfolios with net-zero emissions by 2050. The Net-Zero Banking Alliance acts as the banking element of the GFANZ and coordinates its efforts with its tenets.

We are pleased with the progress we have made on our sustainability agenda, especially in the face of global challenges of the past couple of years. While 2021 has been a success story for us, with massive strides being taken in the development of our ESG systems internally, as well as our external initiatives; there are numerous aspirations our Board and management are still planning to fulfill in the coming period.

On behalf of the entire CIB Board of Directors, I would like to reiterate our commitment to our sustainability journey and our full support of the Bank's management team in its quest to further contribute to a successful, sustainable future.

**Mr. Sherif S. Samy**  
Non-Executive Chairman



## CEO's Letter



I take great pride to say that CIB passes truly impressive milestones every year. Not only has the Bank maintained its position as the leading private-sector bank in Egypt in 2021, but we have also introduced a system transformation that is ushering in a new era in sustainable finance.

Our continuous implementation and advancement of ESG initiatives and frameworks across the bank and throughout Egypt's banking and finance sectors has resulted in a tangible impact on our policies, operations, and culture. It has also helped us enhance the reach and growth of sustainable finance across Egypt's diverse economic sectors. To ensure that we are aligned with the most up to date international standards, we continue to be active members in more than ten global frameworks. AS an active member of the UNEP-FI, we are working with 29 other leading global banks to develop the Principles for Responsible Banking, of which we are a founding signatory.



**CIB's Sustainable Finance Strategy was approved by the Board in 2021, and is anchored by four key parameters across the risk management, revenue generation, reputation, and ecological footprint fronts.**

Guided by our firm belief that financial institutions have a significant role to play in ensuring the welfare of society and the surrounding environment, I am particularly proud that CIB's Sustainable Finance System and Strategy were approved by the Board and incorporated into the Bank's four-year corporate strategy in 2021. The strategy was designed with a holistic approach in mind and is anchored by four key parameters across the risk management, revenue generation, reputation, and ecological footprint fronts. Adhering to this strategy will allow management to stay laser-focused on ensuring the smooth integration of ESG best practices across the Bank's operations and work streams and reaping their rewards. These work streams, guided by experts that invest their substantial knowledge and insights in guiding their teams of hardworking CIBians, contribute to the realization of the strategy, our improved performance, and CIB's overall sustainable development.

As we all become increasingly aware that climate change is a huge threat to the global economy, CIB is working to come up with innovative financing solutions that will allow businesses, including our own, to navigate the delicate balance between environmental and social risks, and profitability. Most importantly on this front, CIB issued Egypt's first corporate Green Bond in the summer of 2021 in partnership with the International Finance Corporation (IFC). The USD 100 million Green Bond issuance will support the establishment of certified green buildings and renewable and industrial energy businesses and projects that promote sustainable solutions addressing climate change. The Green Bond program complements our other products and services in this area, including our Corporate Green Loans and our Greening SMEs capacity-building program.

On the reporting front, CIB has achieved significant progress across its sustainability reporting initiatives through innovative updates to its reports and disclosure strategy. I am pleased to announce that in early 2022, CIB issued its second Principles of Responsible Banking Impact Assessment report, covering the entire business portfolio, while in 2021, its first Sustainability Report included Sustainability Accounting Standards Board (SASB) disclosures, and its comprehensive Ecological Footprint Report covered the environmental impact of all CIB operations and locations. Our continued commitment to sustainability is also reflected in CIB's inclusion on national and international indices, including the Egyptian Stock Exchange Sustainability Index, FTSE4Good Index, Bloomberg Gender Equality Index, and Carbon Disclosure Project (CDP).

As we navigate our way through a tumultuous 2022, we are increasingly cognizant of the evolving ESG materiality factors, especially as sustainable and green investments continue to gain traction and momentum globally. According to a recent report by UNCTAD (the United Nations Conference on Trade and Development), sustainability themed investment products rose by 63% globally versus 2020. At CIB we are extremely proud to say that we have been at the forefront of this movement, and we reaffirm our commitment to working collectively with both the government and the private sector in Egypt to ensure that the proper regulatory frameworks are in place for sustainable finance.

CIB continues to maintain its fiduciary responsibility towards its investors and stakeholders who are keen on creating value and generating returns from the Bank's responsible investing and sustainability practices. We look forward to advancing our responsible banking practices and casting an even wider net with the aim of building new partnerships with local and

international institutions to deepen CIB's positive impact on Egypt at a macro level as we continue to tackle socio-economic and environmental challenges.

We have made leaps and strides, but our journey is far from over, and I am confident that our people, who are guided by our sustainable value creation mission, will continue to be the beating heart and engine that drives CIB's sustainability journey forward and the key to addressing and delivering on the evolving needs, expectations, and value generation that our investors and stakeholders have come to expect of us.

**Mr. Hussein Abaza**

Chief Executive Officer and Managing Director





# CIB at a Glance

CIB is Egypt’s leading private-sector bank. It is an award-winning institution dedicated to creating outstanding stakeholder value and providing superior customer service solutions to a broad range of clients. The Bank furnishes clients with innovative solutions that satisfy their banking needs and facilitate their financial lives. Its dynamic business model and commitment to fully integrating superior technology into its products and services allow it to maintain its market leadership and offer staff an engaging work environment, while generating mounting value. The Bank serves an expansive network of retail customers, high-net-worth (HNW) individuals, and enterprises and institutions that drive the Egyptian economy. With a well-established network of 215 branches and banking units and a workforce comprising 7,458 employees, CIB provides tailored, client-centric services to clients in the corporate, consumer, and small and medium enterprise (SME) spheres, while working to deliver the most streamlined, efficient banking service offering in the Egyptian

market. CIB also operates two representative offices, one in Dubai and the other in Addis Ababa, as channels driving business through these key markets while capitalizing on the synergies inherent in the Bank’s business model as a means of driving value for clients. The Bank has three strategic subsidiaries: CVentures, Mayfair CIB Bank, and Damietta Shipping & Marine Services (DSMS), in which CIB’s shares are 99.9%, 51%, and 49.95%, respectively. In addition to CIB’s strategic subsidiaries, the Bank has direct ownership in four associates: Al Ahly Computer Equipment Company (ACE), TCA Properties, Falcon Group, and Fawry Plus, in which it owns 39.34%, 37%, 30%, and 14.99%, respectively. For several years, CIB has also enjoyed the titles of Most Profitable Bank Operating in Egypt and the Bank of Choice for over 500 of Egypt’s largest corporations. It has been awarded numerous accolades from prestigious bodies throughout the year, including Forbes World’s Best Employers in 2021.

## 2021 KEY FACTS



**215**

Branches



**7,458**

Employees



**1,300**

ATMs



**+1.6** MN

Clients

## 2021 ESG HIGHLIGHTS

CIB established a **new Board Sustainability Committee and created the Sustainable Finance** work streams as a strategy implementation tool.

CIB integrated the **Sustainable Finance Strategy** in the Bank's strategy.

CIB became a **founding signatory of the UNEP-FI Principles for Responsible Banking**, representing the MENA region on its Banking Board. The Bank also became a **founding signatory of the UNEP-FI Commitment to Financial Health and Inclusion** and a signatory of the PRI.

CIB issued the **first corporate green bond** opened in Egypt at a value of **USD 100 million**.

CIB published the impact assessment report on its Business Banking portfolio as per the **Principles of Responsible Banking**, and set the basis for Portfolio Target setting in line with the Bank's most impactful activities and Egypt's Vision 2030.

In 2021, the CDP revealed progress made by CIB to reduce its carbon emissions, leading to an **improvement in its rating from D to C**.

CIB issued its **first report** integrating **SASB disclosures**.

CIB is the **first bank in Egypt and the MENA region** to be awarded the Egyptian Gender Equity Seal based on the **World Bank Gender Equity Model (GEM)**.

CIB was included in a number of sustainability indices, including receiving a **no. 1 ranking in the EGX sustainability index** and being included in the **FTSE4Good Index, Carbon Disclosure Project, and Bloomberg Gender Equality Index**.

In April 2021, CIB became a **Founding Signatory** of the Net-Zero Banking Alliance as part of an initial cohort of **43 of the world's biggest banks**, with a focus on aligning their lending and investment portfolios with net-zero emissions by 2050, and setting intermediate targets for 2030 or sooner.

CIB started aligning its sustainability goals with the **TCFD framework** in 2021, next to completing the **UN-TCFD Capacity Building Program**.

CIB Community Investment advances in the healthcare sector with over **29 dedicated programs**.

CIB adopted the **Equator Principles**.



CIB issued the first corporate green bond in Egypt at a value of USD 100 million





# A New Era of Sustainable Finance





## CSO's Letter



As we continue to strengthen our systems, frameworks, and efforts we are perfectly positioned today to provide solid insight on adopting protocols and action plans that can help us manage the negative impacts of climate change.

Critical challenges dictate much of the global sustainability narrative today. Companies worldwide are now moving quicker than ever to set and execute plans that aim to reroute us towards more positive outcomes. The ever-growing list of climate-related risks bring new discussions to the table on a daily basis; and while we may still have a long way to go in managing these risks, we have put much in place that is set to help us navigate our way through the challenges. Going forward, businesses will play an increasingly large role in how this is going to play out, and CIB is proud to be among the leaders of this conversation.

During COP26, we collaborated with the Ministry of Planning and the Ministry of International Cooperation to organize a panel discussion on how public-private partnerships can improve climate finance in Africa and the Middle East. As we continue to strengthen our systems, frameworks, and efforts we are perfectly positioned today to provide solid insight on

adopting protocols and action plans that can help us manage the negative impacts of climate change. It is no longer the responsibility of one country, but rather a collective effort that is required to tackle the financing challenges of transitioning to a green economy. We hope to continue powering and even expanding beyond this narrative in the upcoming COP27.

The undeniable value that our new Sustainable Finance Division and the proprietary Sustainability Institutional Framework have pumped into the Bank's veins fuels our system transformation. To embed sustainability at the core of our business is to trigger a ripple effect that will see all of the bank's arms shift with time towards inherently sustainable operations. Leading the narrative at the moment is CIB's Green Bond, and the potential it has to allow green projects to set the tone for this upcoming sprint of development across the nation. Greener projects mean greener breathing, living, working, and growing. As the largest private-sector

bank in Egypt that integrates sustainability into the fabric of its operations, we deeply understand and appreciate the value that this brings to the table.

Collaborations amplify impact during critical times, which is why we have cemented our presence among central global efforts that aim to steer the green conversation towards action that will bring about real change. As founding signatories of the UN's Net-Zero Banking Alliance and the African representatives in the Alliance's new governance framework, we are adamant on upholding its promised action plans, built on the pillars of accountability, consensus, and global best practices. This directly feeds into our willingness and capability to lead change across the African continent by connecting countries with access to finance for climate-centric projects, and to pave the way for greener and more sustainable operations throughout the region.

Documenting plans, progress, and success stories remains essential as we look to encourage more entities to contribute to the global sustainability agenda. This is why we continue to prioritize adherence to international frameworks, standards, and disclosures that augment our call to environmental and social action. Next to producing this GRI report, which highlights the efforts and initiatives we have undertaken in 2021, we continue to closely align and engage with think tanks that seek to change the narrative and involvement parameters for financial institutions. From the UNEP-FI's goals to promote responsible finance within banking, to the Institute of International Finance's efforts across responsible research, advocacy, and innovation, we believe in the promise and impact of strong, consistent, and transparent communication. It is also why we were the first bank in Egypt to join the Task Force on Climate-Related Disclosures, and why we continue to commit ourselves to comprehensive reporting on our own impact on the climate. Measuring and monitoring our footprint, and collectively striving for positive change is a major step towards understanding and improving our, our neighbors', and their neighbors' futures.

As you read through this report, I hope that you will find it worthwhile to learn about the sustainable practices that we have put in place and be inspired by the projects that we have executed. While we take pride in leading by example across many facets of sustainable development, we recognize daily challenges as collective learning opportunities that we may all overcome if we recognize the need to contribute to the same sustainable transformation.

**Dr. Dalia Abdel Kader**  
Chief Sustainability Officer



## Expanding Sustainability Systems

As Egypt's leading private sector bank, sustainability remains central to CIB's operations and activities. The Bank has been consistently working towards the advancement of sustainable finance, ESG, and setting trends on both a national and regional scale.

In alignment with national and international frameworks such as the Equator Principles, Egypt's Vision 2030, and the

Principles for Responsible Banking (PRB), as well as the GRI, TCFD, PRI, and the UNGC, among others, CIB expanded its efforts to enhance its sustainability systems in 2021. The Bank aims to continue leading the transition to a green economy and further integrating its ESG efforts in Egypt, as well as recognizing its role as an institution that serves its stakeholders without compromising the welfare of the environment and society.



Since 2013, CIB has been committed to evolving its systems by establishing internal functions dedicated to pursuing matters related to sustainability. This led to collaborating and engaging with key stakeholders to advocate for, develop, and manage initiatives that promote the enhancement of CIB's sustainable finance features. Over the last decade, CIB has expanded its green portfolio and digitization efforts to promote sustainable financial inclusion among communities in Egypt. The Bank also remains committed to introducing new sustainable finance products and programs to develop convenient and accessible financial solutions that address complex environmental and social challenges.

### **Towards Sustainable Finance**

In 2020, CIB established a Sustainable Finance Department and tasked it with implementing environmentally and socially driven procedures across the Bank's governance systems. 2021 marked the first year of the department's operations, as it worked to create synergies and collaboration opportunities among Bank functions to promote and enhance internal environmental and social (E&S) systems.

The department received approval from CIB's Board of Directors to proceed with bank-wide implementation of its sustainability mandate in line with its policy and strategy. Moreover, and next to its crucial role of promoting the best sustainable finance practices within the Bank, CIB sought out sustainability partnerships in 2021, seeking to represent Africa on the regional and global levels, and further delivering on its commitment to enhance ESG systems.

### **Next Steps**

The Sustainable Finance Department's policy served as the foundation for further sustainable growth within the Bank, enabling operation-wide dissemination of the sustainability framework. Moving forward, CIB will continue to collaborate with responsible entities seeking to promote the sustainable growth of the banking sector, as well as align with global frameworks looking to protect the welfare of the environment and society for future generations.

### **Sustainability Governance Updates**

Internal governance processes that promote sustainable growth at CIB saw major reforms in 2021 as they sought to

implement efficient and holistic developments across the Bank's operations and activities. To ensure the successful implementation of these sustainability efforts, numerous internal processes were mandated by CIB's Board of Directors and top management. These processes emphasize top-level commitment and outline sustainability frameworks necessary for the Bank's sustainable development.

### **CIB's Sustainable Finance Policy**

Introduced in 2020, CIB's Sustainable Finance Policy complements the Bank's previous efforts and serves as the main channel for the implementation of sustainable procedures across all lines of business and functions. The policy emphasizes CIB's commitment to implement sustainability protocols and integrate ESG principles internally. It is applied bank-wide, and provides a guidance framework for the implementation of the sustainability practices it is subscribed to.

### **Board Sustainability Committee**

CIB's top management are aligned and strongly believe in the role that financial institutions play in impacting the welfare of society and the environment. In light of this, and to further promote the Bank's growing sustainability efforts, a Board Sustainability Committee was established in its new form.

The new committee was introduced in the first quarter of 2021 to ensure the successful implementation of sustainable finance principles across CIB's operations and activities. It highlights top management's commitment to ensuring that sustainability is mandated and embedded into the Bank's core foundation moving forward.

### **Duties and Responsibilities**

Tasked with providing sustainability guidance to all bank functions at the highest level, the committee also monitors CIB's compliance with its internal and external ESG commitments. As the Bank continues to align with global responsible banking frameworks, the committee aims to oversee the implementation and integration of sustainability agendas to which CIB subscribes, as well as its internal Sustainable Finance Policy. Moreover, the committee will regularly assess its framework to align with evolving business and client needs.

## Sustainable Finance System and Strategy (2021 – 2024)

In 2021, CIB's Sustainable Finance System and Strategy was introduced and incorporated within the Bank's four-year corporate strategy. The strategy, which was approved by CIB's Board of Directors, was prepared in alignment with national and international frameworks to ensure the smooth integration of ESG processes within business operations. Moreover, it highlights CIB's commitment to embedding the fundamentals of sustainable finance bank-wide, as well as the support of its top management.

To ensure the strategy's successful implementation, it is built on four key parameters to generate value for its stakeholders:



The strategy also aims to create synergies between the Bank's diverse departments and enact bank-wide change through the introduction of eight Sustainable Finance System and Strategy workstreams.



## Workstreams

Eight workstreams were developed with the purpose of establishing a holistic framework of support that ensures the inclusion and involvement of all key functions in CIB's sustainability efforts. Each workstream represents a facet of operations and is tailored to promote its development.



### Risk

The Risk workstream was developed to manage climate challenges, in recognition of the risks that climate change is likely to pose on the performance and evolution of financial institutions. It aims to minimize and reduce E&S and climate-related risks through the adoption of and alignment with international best practices, as well as the endorsement of and involvement in global ESG frameworks. Additionally, this workstream aims to support the Environmental and Social Management System (ESMS), as mandated by the IFC, EBRD, and Equator Principles.



### Corporate Banking

CIB consistently introduces new products and services to better meet client needs. The Corporate Banking workstream is dedicated to the expansion and diversification of CIB's ESG corporate banking products, as well as embedding ESG principles within the Bank's services. The workstream aims to support the Bank's existing and future clients in the transition towards a more sustainable path, as well as their alignment with mandatory regulatory systems as they continue to grow with evolving sustainable development agendas.



### Retail and Financial Inclusion

The Retail and Financial Inclusion workstream supports the incorporation of ESG considerations within retail banking products and services and ensures the financial inclusion of SMEs in Egypt. It also strives to expand the Bank's green services to Kenya. In addition to promoting CIB's existing ESG products, the Retail and Financial Inclusion workstream helps develop new financial products to further support CIB's clients on their sustainability roadmap.



### Direct Investment

The Direct Investment workstream was established to support responsible investments undertaken by the Bank. It is expected to further integrate ESG principles within CIB's assessment processes and promote the expansion of the Bank's DIG's Investment Portfolio, bringing new investment opportunities to sectors such as agriculture, transport, and education. Moreover, the Bank aims to work towards introducing new green investment products through the workstream.



### Ecological Footprint

The Ecological Footprint workstream aims to transition CIB to become a carbon neutral bank by 2050. Towards that end, it is working with relevant Bank functions to reduce the greenhouse gas emissions associated with CIB's operations, portfolio, and value chain. Through this workstream, CIB aims to achieve decarbonization by promoting resource efficiency and smart energy consumption across its branches. It also aims to reduce financed emissions and invest in the renewable energy sector. In 2021, the Bank expanded its reporting efforts from carbon footprint reporting to produce its first "Ecological Footprint" report, which considers land, carbon, and water calculations.



### Education

CIB recognizes that the success and expansion of its sustainability efforts can only be achieved by ensuring that information and educational tools related to sustainable finance are accessible and available to its stakeholders. As such, the Education workstream was established to provide educational tools, capacity building, and support to further the Bank's ESG commitments. It aims to provide staff and clients with knowledge tools and materials that advance system building efforts, achieve system transformation, and enable economic growth and sustainable development.



### Branding and Advocacy

With the welfare of CIB's client base in mind, the Branding and Advocacy workstream aims to further cement this facet of the Bank's value system in its product offerings, and implement sustainability-driven communications among key stakeholders. In addition to ensuring the Bank's core commitments to ESG matters are highlighted, the workstream aims to establish transparent communication and raise awareness among its peers, clients, and staff to expand support for its ESG efforts.



### Innovation and ESG Data Digitalization

The Innovation and ESG Data Digitalization workstream aims to introduce a new approach to analytics, technology innovation, data distribution, and performance management. This should enhance ESG systems within the Bank, promote the digitalization of its ESG features, and better support its clients through the use of innovative digital tools.

### Sustainability System and Strategy Dual Track



### Sustainable Finance Institutional Pillars

To ensure the Bank's Sustainable Finance mandates are achieved, the department has identified six key pillars that form a holistic framework for strategy implementation.



#### Governance

- Board Sustainability Committee
- Sustainable Finance Steering Committee
- Chief Sustainability Officer
- Sustainable Finance Department
- Sustainable Finance Focal Points



#### Policy Frameworks and Architecture

- National, regional, and international frameworks and standards
- Sustainable finance policy statement
- Sustainable finance policy



#### Sustainability System Integration

- Policies
- Procedures
- Internal processes and documentation
- Capacity building
- Data management
- Monitoring (KPIs)
- Auditing
- Reporting



#### Communication and Education

- Internal communication
- External communication
- Education



#### Environmental & Social Risk Management System (ESRMS)

- Pre-appraisal and screening phase
- Due Diligence phase
- Monitoring and reporting phase



#### Strategy

- Capacity building
- Impact assessment
- Strategy development



#### Innovation

- ESG data
- Sustainability accounting
- Sustainable finance major



## Stakeholders and Materiality

### Commitment to Our Stakeholders (102-40) – (102-42) – (102-43)

CIB's stakeholder engagement plan did not undergo changes in terms of identification, process, or stakeholder categorization. However, the channels, frequency, and topics of engagements are revisited on an annual basis 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.



**First bank** in Egypt to support the Tasforce for Climate-Related Financial Disclosures (TCFD)

### CIB Materiality (102-44) – (102-46) – (102-47) – (102-49)

#### Identification and Prioritization of Material Issues

Identification and prioritization for this reporting cycle included a more in-depth process to include CIB's progress across its sustainable finance commitments. It also involved a wider scope of internal engagements and proxy communications with external stakeholders in light of the establishment of the Sustainable Finance workstreams (Read on: Integration into Business).

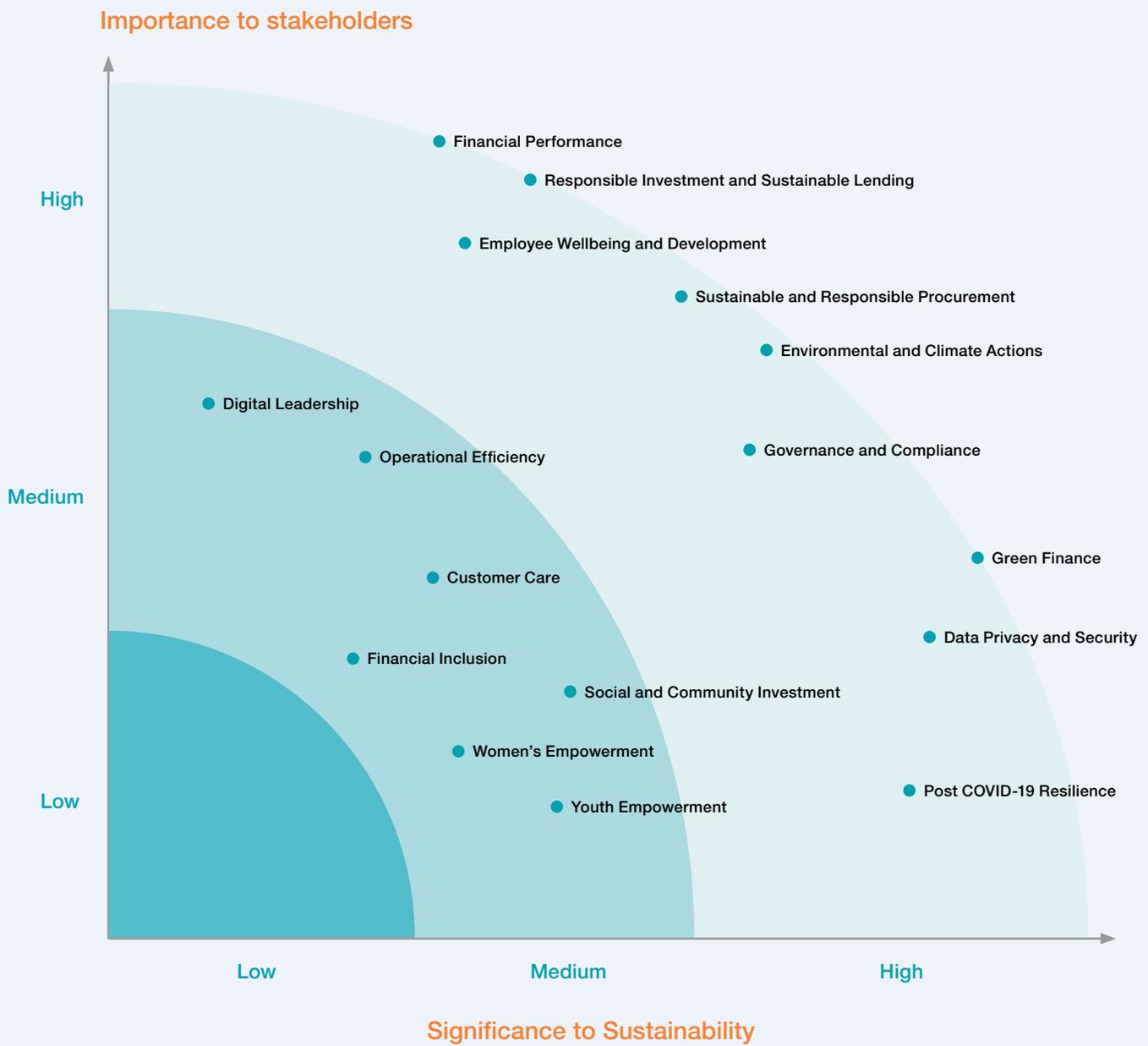
As a result of stakeholder commitments and materiality exercises, the following represents the collective outcome of:

- Engagement channels and frequency
- Identified material issues
- Material issues boundaries

Stakeholder Category	Channels and Frequency	Stakeholder Category	Channels and Frequency
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>Quarterly financial results</li> <li>Analysts' and investors' meetings</li> <li>The Annual General Meeting</li> <li>ESG reporting and sustainability indices</li> <li>Public website</li> </ul>	<b>Customers</b>	<ul style="list-style-type: none"> <li>Branches</li> <li>Account Relationship Managers</li> <li>Call center and website</li> <li>Brand activations</li> <li>Satisfaction surveys</li> <li>Social media</li> <li>Mobile application</li> </ul>
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Board meetings</li> <li>Board committees' meetings</li> <li>Internal reporting by the Board Sustainability Committee</li> <li>Sustainability reporting and sustainability indices</li> <li>Annual report</li> <li>The Annual General Meeting</li> </ul>	<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Pre-tendering meetings</li> <li>Project-based satisfaction surveys</li> <li>Briefings and feedback on new bank policies on S&amp;E assessments and criteria</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Annual assessment</li> <li>Ongoing coaching and mentorship</li> <li>Training sessions</li> <li>Internal meetings on all departmental levels</li> </ul>	<b>Government and Regulatory Bodies (Central Bank of Egypt [CBE], the Financial Regulatory Authority [FRA] the Egyptian Stock Exchange, and others)</b>	<ul style="list-style-type: none"> <li>Quarterly and periodic meetings, periodic emails and direct communications between the CBE and the Investors Relations team</li> <li>Annual reporting</li> </ul>
<b>Industry Associates and Sustainability Partners</b>	<ul style="list-style-type: none"> <li>PRB progress report</li> <li>Bloomberg Gender Equality Index</li> <li>Annual CDP reporting</li> <li>FTSE4Good Index</li> <li>Sustainability report</li> <li>Annual report</li> <li>Public website</li> <li>Ecological Footprint report</li> </ul>	<b>National Community</b>	<ul style="list-style-type: none"> <li>Partnerships with nonprofit organizations</li> <li>Periodic mutual press releases</li> <li>Social media announcements</li> <li>Annual CIB Foundation activity report</li> <li>Engagements related to the development of the annual report</li> <li>Engagements related to the development of annual sustainability report</li> </ul>

Material Issues	Priority	Boundaries	Stakeholders
Post COVID-19 Resilience	High High	Internal and External	All stakeholders
Financial Performance	High High	External	Shareholders
Governance and Compliance	High High	External	Customers Shareholders
Data Privacy and Security	High High	External	Regulators Customers
Green Finance	High High	External	Investors Government Customers
Employee Wellbeing and Development	High High	Internal	Employees
Sustainable and Responsible Procurement	High High	External	Suppliers
Environmental and Climate Actions	High High	External	Environment Government Investors
Responsible Investment and Sustainable Lending	High High	External	Shareholders Investors Customers
Digital Leadership	High Medium	Internal and External	Customers Society
Operational Efficiency	High Medium	Internal and External	Board Employees Customers
Financial Inclusion	Medium Medium	External	Customers Society
Women's Empowerment	Medium Medium	Internal and External	Employees Customers Society
Social and Community Investment	Medium High	External	Beneficiaries Society
Youth Empowerment	Medium High	External	Customers Society
Customer Care	High Medium	External	Customers

# MATERIALITY MATRIX





# Commitment to Global Action





# Progress Across Global Commitments

CIB recognizes the important role that collective global action plays in achieving wide-scale results. As such, the Bank aligns its efforts with global sustainability standards and frameworks to further its social and environmental performance, and contribute to societal progress at large.

## Environmental and Social Risk Management (ESRM)

### Standards

A commitment to transparency is at the heart of CIB's communication with its stakeholders and community. Accordingly, sustainability reporting procedures follow internationally recognized disclosure standards to promote a culture of openness and accountability.

### IFC Performance Standards

The IFC is a leading global institution and funding agency. Its eight Environmental and Social Performance Standards have been key to limiting the social and environmental impact of the projects they finance. CIB is aligned with and committed to applying all eight standards.



- 1 Environmental and Social Risk Management**
- 2 Labor and Working Conditions**
- 3 Resource Efficiency**
- 4 Community Health and Safety**
- 5 Land Acquisition and Resettlement**
- 6 Biodiversity**
- 7 Indigenous People**
- 8 Cultural Heritage**

## European Bank for Reconstruction and Development (EBRD)

EBRD-financed projects are expected to be designed and operated in compliance with sustainable development international best practices. To help clients and their projects achieve this, EBRD has defined ten Performance Requirements (PRs) covering the key areas of environmental and social issues and impacts. The PRs provide a solid base on which clients can improve the sustainability of their business operations. Where possible, projects should avoid adverse impacts on workers, communities, and the environment. If avoidance is not possible, negative impacts should be reduced, mitigated, or compensated for, as appropriate.

New facilities or business activities financed by CIB must be designed to meet the PRs from the outset. Clients are required to adopt and implement a satisfactory Environmental and Social Action Plan (ESAP) if their proposed business activity relates to existing facilities that do not meet the requirements at the time of Board approval. If EBRD will provide general corporate finance, working capital, or equity financing for a multi-site company, clients are required to develop and implement an ESAP at the corporate level, as opposed to the site-specific level. This must be both technically and financially feasible, and deliverable within an acceptable time frame.

**PR 1: Assessment and Management of Environmental and Social Risks and Impacts**

**PR 2: Labour and Working Conditions**

**PR 3: Resource Efficiency and Pollution Prevention and Control**

**PR 4: Health, Safety, and Security**

**PR 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

**PR 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources**

**PR 7: Indigenous Peoples**

**PR 8: Cultural Heritage**

**PR 9: Financial Intermediaries**

**PR 10: Information Disclosure and Stakeholder Engagement**



## Equator Principles

The Equator Principles are a set of guidelines established for financial institutions, providing a holistic framework of support to reduce the environmental and social risks associated with financing projects. 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. The Bank is committed to implementing the Equator Principles across its internal environmental and social policies, procedures, and standards for financing projects. In July 2022, the Bank will report on its first year of implementing the principles.

## Frameworks

### Gender Equity Seal

In 2021, CIB was the first bank in Egypt and the MENA region to be awarded the Egyptian Gender Equity Seal. The certification process, which is based on the World Bank Gender Equity Model (GEM), included different stages of assessing CIB's gender-related data (qualitative and quantitative), identifying areas of improvement, and providing a detailed action plan and recommendations.

### Closing the Gender Gap Accelerator

Egypt's Ministry of International Cooperation, along with the Egyptian National Council for Women (NCW) and the World Economic Forum, launched 'Closing the Gender Gap Accelerator', a national public-private collaboration model, co-chaired by CIB. The model enables governments and businesses to take decisive action on closing economic gender gaps in the public and private sectors, focusing on the prevalent issue of women's marginalization.

### Principles for Responsible Banking (PRB)

CIB released its first comprehensive Principles for Responsible Banking (PRB) Progress Report covering the full portfolio. The Bank followed a staged approach to perform an impact assessment on the its portfolio using the UNEP-FI Portfolio impact analysis tool. In March 2021, CIB performed and published a pilot impact assessment on its Business Banking portfolio, and later extended the assessment to the Corporate and Consumer Banking business lines. This exercise has enabled the identification of the most significant positive and negative impact areas. Accordingly, the impact assessment results have established the foundation of portfolio target-setting in line with CIB's most impactful activities and Egypt's Vision 2030.

### Net-Zero Banking Alliance (NZBA)

In April 2021, CIB joined the Net-Zero Banking Alliance (NZBA) as a founding signatory, pledging to align with the framework's efforts to promote sustainable investments and decarbonize and diversify its green portfolio. NZBA brought together an initial cohort of 43 of the world's largest banks to deliver the banking sector's ambition to align their lending and investment portfolios with net-zero emissions by 2050, and setting intermediate targets for 2030 or sooner. Moreover, CIB is committed to the transition of the operational and attributable greenhouse gas (GHG) emissions from its lending and investment portfolios to align with pathways to net-zero by 2050 or sooner. In addition to being a founding signatory, CIB also plays an influential role within the alliance on a regional level by representing Africa. The Bank's CEO and CSO are now appointed members of the alliance's steering committee.

### United Nations Environment Programme – Finance Initiative (UNEP-FI)

CIB is a founding signatory of the UNEP-FI. The initiative, tailored for financial institutions, seeks to promote responsible investments and operations within the banking sector. The Bank represents the MENA region on the initiative's Banking Board.



### Carbon Disclosure Project (CDP)

In 2021, CIB received a C-Awareness Level rating from the CDP. Since 2018, the Bank has been disclosing its environmental performance and impacts via the project to promote transparency and accountability among stakeholders. Thus far, CIB remains the only Egyptian bank to receive a rating by the CDP. In 2021, it revealed the Bank's progress in reducing its carbon emissions, upgrading its rating from a D to a C.

### Task Force on Climate-Related Financial Disclosures (TCFD)

The TCFD is a reporting framework that supports public companies and other organizations in effectively identifying climate-related risks and opportunities through their existing reporting processes. The Bank has been aligning with the framework since 2020, and completed the UN Environment Programme Finance Initiative TCFD Capacity Building Program in 2021. The program took place between February and September 2021, and witnessed the participation of other international banks.

### UN Global Compact (UNGC)

To fortify a commitment to and beyond the ecosystem it operates in, CIB is a member of the UNGC. The compact seeks to encourage the adoption and integration of sustainable practices across institutions and companies worldwide to accelerate global environmental and social efforts.



**First Bank in Egypt to support the Taskforce on Climate-Related Financial Disclosures (TCFD)**



## Global Reporting Standards

### Global Reporting Initiative (GRI)

The GRI is an internationally recognized framework for disclosure and reporting. In 2021, CIB maintained its commitment to disclosure and transparency among its stakeholders by publishing its sixth sustainability report.

### Ecological Footprint Report

In 2021, CIB issued the first Ecological Footprint Report in Egypt and Africa. This groundbreaking milestone is important to the Bank on its journey to contribute to a greener Egyptian economy, and promote accountability and resolution of climate challenges among other banks and corporate entities. The report is proof of CIB's intention to go beyond standard carbon footprint reporting and transition to integrated environmental reporting. It serves as a broad and dynamic framework for different types of impact categories, with focus on land footprint (total land use to provide resources); carbon footprint (total GHGs); and water footprint (total amounts of directly and indirectly consumed water, including water pollution impact). This type of analysis and reporting is a more comprehensive approach to sustainability that involves assessing an entity's overall impact on the environment.

### Reporting according to the Sustainability Accounting Standards Board (SASB)

Per the indicators of the SASB standards, CIB continued to monitor its performance for the second year in the areas of data security, business ethics, and systematic risk management.

### Data Security

CIB reported no data breaches in 2021, thus recording a 0% impact rate on Personally Identifiable Information (PII) and account holders. The Bank protects its critical assets and services against cyber attacks and data security risks by maintaining defense in-depth layers of security across multiple channels including its networks, emails, and endpoints. Moreover, CIB maintains a data classification and protection program, and an identity and privileged access management program. To avoid data-related security incidents, the security operations center team follows solid incident management procedures and has enhanced security controls in place.

### Business Ethics

CIB did not record any losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.

### Systematic Risk Management

CIB is not a "Globally-Systemic Important Bank," but according to the Central Bank of Egypt's methodology, the Bank is a "Domestically-Systemic Important Bank".

### Approach to the incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities

CIB has an Integrated Stress Testing Program that accounts for correlation and interdependency between various risks. It is an integral part of the Internal Capital Adequacy Assessment Process (ICAAP), where the Bank undertakes rigorous, forward-looking stress testing that identifies severe events or changes in market conditions that could adversely impact the Bank. The outcome is used to identify the related impact on different risk exposures, and in relation to the Bank's regulatory capital, balance sheet, and income statement.

The foundation for the stress testing exercises was derived from international best practices and Basel literature. It uses a set of comprehensive techniques, including sensitivity and scenario analysis, applying different economic and market factors shocks with various degrees of severity, based on both portfolio-driven and event-driven scenarios with either historical data and/or hypothetical assumptions. Reverse Stress Testing is also conducted by identifying significant negative outcomes that threaten the viability of the Bank, and conditions that could lead to such an outcome.

In addition, the CBE mandates banks to conduct annual stress testing exercises through the annual Stress Testing Report on the lending portfolio, as well as a comprehensive stress testing exercise through the CAAP Report and the Recovery Plan. In each exercise, CBE lays out the foundation and minimum requirements, while leaving the responsibility of developing the scenarios and assumptions to the banks. If needed, the CBE might apply additional mandatory stress scenarios of varying severity and scope on certain banks and/or the whole banking sector.

As of December 2021, CIB's available capital base reached EGP 69.98bn. Pillar I CAR recorded 29.86%, with an excess capital buffer over the minimum regulatory requirement of 12.75%, and a risk appetite of 16%. Based on the capital planning process for the next three years and after applying the moderate and severe stress scenarios, the Bank continues to demonstrate a robust available capital base that is resilient to very extreme shocks. This is because it maintains an adequate capital buffer above the CBE CAR minimum requirement and risk appetite of 12.75%, and 16%, respectively. However, the Bank will continue to proactively monitor the available capital base and market conditions using its preset contingency plans to cushion the impact in the event of market deterioration.

On the liquidity front, CIB has ample High-Quality Liquid Assets (HQLA) – positively reflected in the Bank's liquidity ratios – that maintain a large buffer over regulatory ratios. As of end of Q4 2021, the LCY CBE Liquidity Ratio recorded 57.5% against CBE's 20% limit, while the FCY Liquidity Ratio reached 66.2%, against CBE's 25% limit. The Net Stable Funding Ratio (NSFR) was 281.54% for local currency and 170.43% for foreign currency, and the Liquidity Coverage Ratio (LCR) was 902.45% for local currency and 304.28% for foreign currency, all above the 100% Basel III requirement. In addition, the ICAAP stress scenarios were simulated for liquidity risk (CBE Liquidity Ratios, LCR and NSFR), reflecting budget projections from 2022 to 2024. The ratios indicated no deviations even in extreme scenarios.





# Capacity Building

## Sustainable Finance Academy

CIB believes that sustainable finance education is central to instilling sustainable practices within and beyond CIB, as well as understanding and appreciating ESG relevance to business growth, societal development, and environmental wellbeing. To instill sustainable finance throughout its ecosystem, CIB established the Sustainable Finance Academy, which provides trainings and capacity building programs on sustainable finance for employees, clients, and, at later stages of its framework's development, peers and other stakeholders.

## Empowering Tomorrow's Leaders

Sustainable finance was introduced to the SME Academy and the Credit Course in August and October 2021, respectively. The sessions covered various topics, including but not limited to a general introduction on sustainable finance; challenges and opportunities; the business case for CIB; the Environmental and Social Risk Management System; and frameworks and organizations that the Bank is a member of. The Credit Course sessions also featured case studies that introduced future officers to the E&S concurrence process of the Enterprise Security Risk Management (ESRM) system.





## Sustainability Education for Sector Transformation

### Sustaining Sectors

In 2021, CIB's Sustainable Finance Department launched an educational and capacity building program for its clients titled "Sustaining Sectors – Sustaining Growth". It is a multi-platform, multi-purpose program that connects clients with experts across various sustainability fields, green financial products, and capacity building opportunities for diverse sectors. The program covers ESG topics such as green transition, sustainable finance, and ESG integration, and offers participating clients certification that enhances their opportunities for economic growth and sustainable investor relations.

The Sustaining Sectors program aims to empower, educate, and support clients in integrating sustainable practices to better align with changing regulatory systems while sustaining

their growth. Through the trainings, sector-based businesses receive the necessary tools to assess their business needs and how to grow sustainably.

CIB has provided capacity building training support for clients within the food and beverage sector so far, and aims to continue rolling out the program to other sectors including textiles, green buildings, and energy, among others. Furthermore, and in addition to providing clients with key principles to understanding and integrating sustainable practices, the trainings also aim to connect participants with green products and financial incentives to implement ESG practices.



# Economic Insight





# Corporate Banking

CIB Corporate Banking plays a critical role in advancing sustainable finance. In line with CIB's strategy, greening the Bank's portfolio is a priority and a continuous effort that has been building up with momentum through a structured plan for the benefit of CIB's clients as well as the entire Egyptian banking sector.

CIB's green corporate services and products are steadily advancing through a comprehensive system-building approach, which provides a 360 view and integrates across multiple system components.

The strategy aims to create synergies between the Bank's diverse departments to enact bank-wide sustainable change through the introduction of eight sustainable finance system and strategy workstreams. CIB developed these latest strategic workstreams to enable all business operations within the Bank to integrate ESG principles. The Corporate Banking and GCR workstreams are dedicated to the expansion and diversification of CIB's ESG corporate banking products and services, next to supporting the Bank's existing and future clients' green transition.

## Raising External Awareness

Through the CIB Sustainable Finance Academy, the Bank provides training and capacity building for employees, clients, other stakeholders, and (eventually) peers, at various

stages corresponding with the framework's development. Following the launch of its internal employee capacity building program, CIB is expanding the Academy's reach to cover its client base across multiple industries. In 2021, the Bank's Sustainable Finance Department launched an educational and capacity building program for its clients titled "Sustaining Sectors - Sustaining Growth" to assist them with their green transition, sustainable finance, and ESG integration.

## Products and Services

Throughout this section, CIB discloses its latest performance and efforts to popularize green finance facilities among its clients and the Egyptian market, and the developments of its Green Bonds.

## Processes and Policies

Rigorous policies' assessments and processes' reviews have been conducted over 2021 to ensure alignment with CIB's global commitments and the ongoing, evolving performances of the corporate products and services. Assessments are conducted by subject-matter third parties' assessors in collaboration with each policy owner, as mandated by the Bank's top management. All key improvements are also presented to CIB's Board of Directors for review and approval.



## Corporate Lending

Corporate loans are loans granted to entities that include private and public companies. Companies are defined as large, medium, small, or micro based on their sales volume.



With a total of 38 industries, the total number of clients has reached 834 as of 2021. This figure includes 601 large corporate clients, and the remaining 233 clients represent SMEs handled by the corporate department.

The Bank's loan portfolio fluctuates during the year on the back of macro- and micro events, which directly impact

clients' need for finance, as well as utilization and outstanding amounts from year to year and throughout the year. Macro-dynamics in play include the country's economic conditions, prevailing interest rates, and foreign currency exchange rates. Micro-dynamics are industry- and client-specific events that are unique to their business cycles.

### Facilities Outstanding Amount - EGP 000's

	Total Value of Financing		
	2019	2020	2021
Public Sector	39,148,008	33,835,552	34,350,806
Private Sector	87,509,172	90,033,420	88,618,698
<b>Total</b>	<b>126,657,180</b>	<b>123,868,972</b>	<b>122,969,504</b>

	Number of Customers		
	2019	2020	2021
Public Sector	29	26	32
Private Sector	876	823	802
<b>Total</b>	<b>905</b>	<b>849</b>	<b>834</b>

\*For more information on our business banking and micro-finance please reference p.51

## CIB Green Bond\*

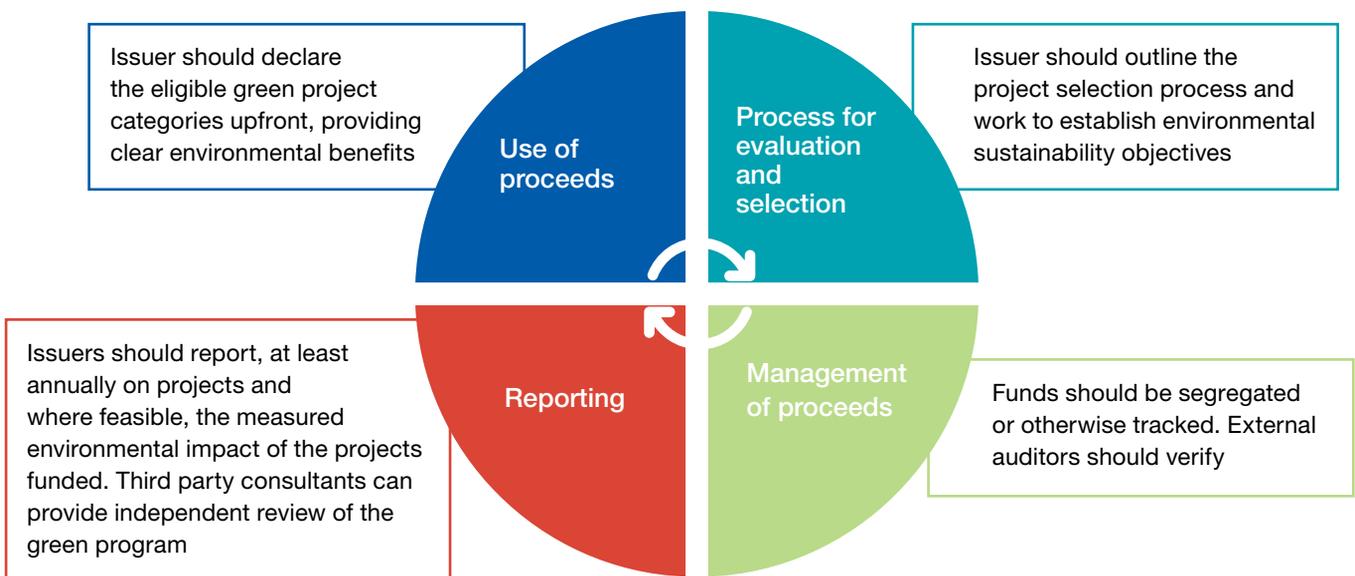
CIB is a long-time supporter and committed believer in sustainable finance and in the role corporations must play in seeking sustainable and comprehensive solutions to mitigate climate change. To that end, the Bank has opened subscription for the first green bond to be issued in the local market with a value of USD 100 million after receiving initial approval from the Financial Regulatory Authority on 21 June 2021. The issuance of this green bond has been fully subscribed to by the IFC, a member of the World Bank Group.

The Green Bond program aims to finance projects that promote sustainable solutions to climate change, including renewable energy, industrial energy efficiency, green buildings, and resource efficiency. It also helps support 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 Green Bond Framework

CIB's published Green Bond Framework was developed based on international standards and best practices. The framework aligns with the UN Sustainable Development Goals (SDGs) that are relevant to the Bank, as well as CIB's own sustainable finance strategy. The Green Bond framework has been developed in line with the four key pillars of the Green Bond Principles ("GBP").



\*For more information please check the Green Bond Impact Report

## Alignment with the SDGs

CIB's green bonds' proceeds are used in consistence with ICMA's Green Bond Principles and will align with several UN SDGs that are relevant to CIB's strategy.



**Goal 6**  
Clean Water and Sanitation



**Goal 7**  
Affordable and Clean Energy



**Goal 9**  
Industry, Innovation, and Infrastructure



**Goal 11**  
Sustainable Cities and Communities



**Goal 13**  
Climate Action

## Green Products

### Green Products Landscape

#### Agriculture Development Program (ADP)

##### Role: Agent bank

Using a bundle of revolving credit lines that are managed by the Development Finance Department, CIB aims to finance agricultural activities across Egypt. The initiative's target group are Egyptian individuals, cooperatives, non-governmental organizations (NGOs), sole proprietors, partnerships, and companies, with focus on SMEs and mid-cap clients.

CIB's product line was initiated through the Bank's first revolving credit line in 1992.



#### Programs under ADP

- Veterinary Support Program (VSP)
- Sustainable Agricultural Investments and Livelihood Project (SAIL)
- Support for Agriculture Small and Medium Enterprises (SASME)
- Agricultural Sector Development Program (ASDP)
- Financial Investment and Sector Cooperation (FISC)
- Promotion of Rural Income through Market Enhancement Project (PRIME)
- Buffalo Fattening Program

#### Supported sectors

- Livestock, dairy, and fattening
- Horticulture
- Irrigation, drainage, and agricultural machinery
- Poultry
- Aquaculture
- Medicinal, aromatic plantation and honey production
- Renewable energy for agricultural purposes.
- Input supply
- Post-harvest activities
- Agricultural marketing activities

#### Eligibility Criteria

- Egyptian national
- Project within the agriculture production value chain
- Credit worthy
- Technically accepted by ADP officials
- Approved by ADP committees

### **Egyptian Pollution Abatement Project (EPAP III)**

#### **Role: Participating bank, represented by Development Finance**

The project fosters sustainable development in Egypt by addressing industrial pollution sources affecting the environment and human health using a combination of infrastructure investments and tailored technical assistance. It supports the implementation and long-term sustainability of depollution solutions (including environmental monitoring and inspection capacity) to comply with national environmental regulations.

EPAP III 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 that are intermediated by local participating commercial banks.

#### **Eligibility criteria:**

- Technically accepted by The Ministry of Environment (EEAA)
- Project positively impacts the environment
- Credit worthy



### **Environmental Compliance Office (ECO)**

#### **Role: Participating bank, represented by Development Finance**

ECO provides access to soft loans for funding new industrial equipment that serve environmental compliance and energy saving purposes. It targets private industrial sectors such as engineering, metallurgy, food, textile, ready-made garments, chemicals, leather products, leather tanning, wood products, furniture, building materials, printing and packaging, pharmaceuticals, and seeds and their derivatives.

#### **Eligibility criteria:**

- Member of the Federation of Egyptian Industries
- Private sector facility
- Small and medium industrial facilities
- Willingness to address sustainable development issues
- Credit worthy



# Expansion to Mayfair

Mayfair Bank Ltd., 51% owned by CIB, marks CIB's debut in Sub-Saharan Africa, specifically in Kenya, as part of the Bank's strategic growth plan. Three experienced CIB staff members were assigned to the Kenya office, launched in August 2017. Today, the CIB Mayfair office is run by 103 fellow Kenyans, of which 47 – over 40% – are female.

## Products and services

- Call and Fixed Deposit Accounts
- Children's Savings Account
- Corporate Current Account
- Diaspora Banking Current Account
- Elite Business Current Account
- Institutional Banking Current Account
- Asset Finance
- Insurance Premium Finance
- Overdrafts
- Term Loans
- Trade Finance- Bill discounting, Guarantees, LCs
- Premium Individual Current Account
- Savings Account
- Standard Individual Current Account
- Cheque Clearing
- Telegraphic Transfers
- Real Time Gross Settlement
- Electronic Funds Transfers
- Safaricom Real Time Settlements
- Mobile Banking
- Pesalink
- Kenya Revenue Authority (KRA) Itax payment
- Internet Banking

In line with its strategy, CIB aims to serve all customer segments, including but not limited to high-net-worth individuals (HNWIs), corporates, and SMEs. Since the launch of its operations, the Mayfair office has served 1,013 corporate clients and 1,141 retail clients.

The Bank focuses on key sectors of the economy that manifest growth and resilience, serving 12 main industries with total deposits of KSH 8,301,925.

Economic Sector	Total Advances (KSH, 000)	Total Deposits (KSH, 000)
Agriculture	111,187	2,451
Building and Construction	550,145	355,184
Business Services	325,300	637,853
Electricity and Water	7,059	135
Finance and Insurance	1,031,765	670,863
Manufacturing	555,913	341,242
Mining and Quarrying	242,863	7,745
Other Activities and Enterprises	356,996	779,063
Real Estate	151,426	216,107
Personal/Household	572,749	4,714,602
Transport and Communication	445,232	179,481
Wholesale and Retail Trade	1,276,008	397,199
<b>Total</b>	<b>5,626,644</b>	<b>8,301,925</b>



# Environmental Leadership





# Environmental Leadership

## 2021 Highlights

2021 marked the first year of operation for the Sustainable Finance Department, whose role is rooted in creating synergies and collaborating with Bank functions to promote and enhance ESG systems internally. In addition to promoting best sustainable finance practices across its footprint, CIB was the first (and currently only) bank in Egypt to become a founding signatory of the Net-Zero Banking Alliance, seeking to represent Africa on a regional scale and in alignment with its commitment to bolster its ESG systems. The bank aims to continue leading the transition to Green Economy in Egypt, as well as further expand its Environmental, Social and Governance efforts beyond its walls, to cement its role as an institution that serves the economy without compromising the welfare of the environment and society.

## The Way Forward – CIB’s Ecological Footprint

### Reporting Innovations

An integral part of CIB’s sustainable finance efforts is showcasing the positive and negative societal and environmental impacts of the Bank’s portfolio and operations through an integrated disclosure strategy. This resonates with CIB’s commitments to international frameworks and standards that require both qualitative and quantitative measures to be disclosed annually. CIB also ensures that public messaging pertaining to sustainable finance is educational and driven by research and on-ground efforts.

At CIB, we consider it essential to run our operations sustainably for the benefit of our customers, investors, and the local and global communities. Being a trendsetter in the field of sustainability and sustainable finance, we strive to provide the best customer service possible while protecting the environment.

The development of the First Ecological Footprint in Egypt and the MENA Region is the result of CIB’s journey from 2017 to 2020, which has given the bank a more optimistic vision of the future. By utilizing available resources sustainably, this tool enables companies and cities to respect and function within the Earth’s inherent biocapacity. CIB believes this is a more comprehensive approach than only estimating carbon footprint, and has decided to broaden its reporting to include both land and water footprints.

Moreover, the bank has adopted integrated environmental reporting as part of its quest toward sustainability. The Bank has continuously displayed an unwavering commitment toward the preservation of the environment and its resources and in promoting corporate sustainability. The Ecological Footprint Report is a new milestone and marker of the Bank’s sustainability journey. The upcoming CIB 2021 Ecological Footprint Report will be published on the CIB website.

This year, CIB takes the lead by introducing the concept and methodology of scope 3 GHG (Financed Emissions).





CIB has strengthened its commitment to environmental openness by becoming the first Egyptian bank to publish its environmental impact through the Carbon Disclosure Project (CDP), a worldwide non-profit organization that manages the world's top environmental disclosure platform. CIB scored C in CDP's 2021 Climate Change questionnaire, which is considered the highest score that was ever achieved in Egypt.

## **Sustainable Finance Products and Programs**

### **Egyptian Pollution Abatement Program (EPAP)**

EPAP supports the conversion and/or expansion in pollution abatement, energy efficiency, industrial waste management, cleaner production, and resource efficiency.

### **Environmental Compliance Office Finance Program**

The program supports industrial plants that promote cleaner technology for energy saving, pollution prevention, and resource efficiency purposes.

### **Agribusiness Development Programs**

Various subsidized agricultural development programs that aim to modernize the Egyptian agricultural sector.



# Social Impact





# Clients

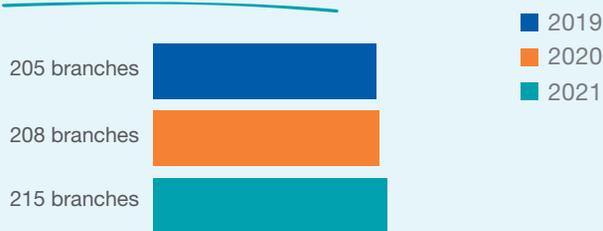
Throughout CIB's 5-year journey of ESG value creation, the Bank has continued to monitor and evaluate its performance and value propositions. Its overarching social commitment to its clients across its banking activities centers on the protection of customer information and privacy.

## Consumer Banking

### Highlights

#### Growing Network

#### Geographic Presence



CIB serves its clients through its growing network of branches and experienced team members. To maximize accessibility for its clients, the Bank trains customer-facing employees on multiple communication skills including the use of sign language. Moreover, CIB's ATM network reached 1,300 machines in 2021, with over 740 of these machines supporting voice commands to facilitate banking experiences for wider segments of the community.

#### Retail Services

CIB offers clients lending solutions, cash management services, and credit and debit card bundles, among other services.

#### Value Creation

CIB's clients stand to benefit from:

- Preferential deposits options
- Segment-focused lending
- Segment-based pricing
- Digital/paperless services

#### Growing Client-Base

CIB's consumer banking clients reached 1.58 million customers in 2021, growing from 1.45 million in 2020.

#### New-To-Bank (NTB) Customers

The Bank continues to earn the trust of new entrants to banking services, with NTB customers reaching 322,116 in 2021 from 269,000 in 2020.

#### Tailored Services

CIB offers premiere tailored services to its Private, Wealth, Plus, and Prime segments, resulting in growing loan and deposit portfolios of 14% and 13%, respectively, in 2021.

#### Credit Card Facilities

2021 saw CIB's credit card customer base grow to 191,342 from 138,189 in 2020. The Bank's total card portfolio stands at 716,579 primary cards and 124,801 supplementary cards, growing 16% and 3%, respectively, from 2020.

#### Time Deposits (TDs) and Tiered Pricing

CIB continues to adopt selective pricing for TDs and tiered pricing for savings accounts to meet diverse customer needs. Current Accounts and Savings Accounts (CASA) accounted for 53.1% of the Bank's total funding base, compared to 48.6% in 2020.

## Consumer Deposits: A Legacy of Trust

### Value Proposition

#### Premium Segments (Private and Wealth)

- The Private segment is a flagship brand catering to High-Net-Worth (HNW) individuals in Egypt.
- It serves banking and investment needs of clients with minimum Assets Under Management (AUM) of EGP 20 million.
- The Wealth segment serves upper-middle and mass, affluent individuals and customers.
- It is dedicated to clients with liquid financial assets between EGP 1 million and EGP 20 million.
- Both segments constitute over 74% of the total volume of consumer banking deposits.

#### Core Segments (Plus and Prime)

- The Plus segment is dedicated to clients with liquid financial assets between EGP 200,000 and EGP 1 million.
- The Prime segment serves mass customers, focusing on the more specific needs of different sub-segments including millennials, payroll blue and white collars employees, and families.
- It constitutes a major component of CIB's value creation to the mass population.

### Segments' Performance

Segment	Number of Customers		Deposits Spot Balance	
	2020 vs. 2019	2021 vs. 2020	2020 vs. 2019	2021 vs. 2020
Private	43.7%	14.5%	40.2%	17.2%
Wealth	-1.3%	-1.8%	6.5%	9.6%
Plus	10.9%	10.6%	13.8%	19.5%
Prime	3.2%	9.1%	-18.1%	20.8%
<b>Total</b>	<b>3.5%</b>	<b>14.5%</b>	<b>8.9%</b>	<b>13.4%</b>

## Individual Lending Facilities: Supporting the Community

CIB's personal loan portfolio is ranked third among Egyptian banks and first among private banks in the country.

### Value Proposition

Consumer lending facilities are a key component of CIB's sustainable finance practices, one that creates shared value for customers and business. They respond to the economic needs and social wellbeing of the communities that the Bank serves and are considered the primary income generator among consumer banking loans (including PIL, OD, auto, mortgage and cc).

CIB's value creation stems from four major components:

A. Availing financing to households

B. Specialized offerings

C. Segment-driven focus

D. Simplified digital processes and services



	Dec 2021	Dec 2020	Y-o-Y
Personal Loan	30,558,447	26,523,809	15%
Credit Cards (Visa and Mastercard)	5,691,132	4,847,610	17%
Overdraft	1,261,637	1,509,696	-16%
Mortgage Loans	2,405,737	1,955,456	23%
Auto Loans	31,495	5,907	433%
<b>Total Loans Portfolio</b>	<b>39,948,448</b>	<b>34,842,479</b>	<b>15%</b>

## Performance

### A. Availing financing to households

- Total lending facilities exceeded EGP 40 billion in 2021 compared to EGP 35 billion in 2020.
- The Bank served 651,411 female and male borrowers of all ages and regions across Egypt in 2021, compared to 563,041 in 2020.

### B. Specialized offerings

Specialized lending serves three objectives within the Bank's new Sustainable Finance Framework:

- Supports clients in making sound financial decisions that cater to their specific needs, financial abilities, and preferred time frames
- Avoids potential non-performing loans
- Facilitates households' decent access to education, housing, transportation, health, and other needs (by way of personal loans)

CIB's main personal lending products include:

- **Educational loans:** Aims to facilitate access to college and post-graduate education, offering customers preferential interest rates and several exclusive features
- **Solfa we Aman loans:** Developed to serve low-income payroll customers, this short-term fixed loan bundle includes micro-insurance provided by AXA, and is part of the Bank's financial inclusion efforts
- **Housing loans:** Active since 2015, CIB has since been expanding its housing loan offering, most recently to match the amended CBE initiative by offering mortgage loans to low- and middle-income Egyptian citizens. In 2021, CIB served 20.2K customers with 2.3 bn spot balance, compared to 16,911 customers and 1.9 bn spot balance in 2020. In addition, the Bank's specialized lending facilities extended to semi-secured bundles for Premium customers, as well as an unsecured loan limit increase to EGP 5 mn and overdrafts lending against T-Bills for Private customers.

CIB has also been an active participant in the CBE's housing initiatives since 2015. In 2021, the Bank expanded its offering to match the amended CBE initiative, offering mortgage loans to low- and middle-income Egyptians. In 2021, CIB served 20.2K customers through the provision of EGP 2.3 billion in spot balance, compared to 16.9K customers and EGP 1.9 bn in spot balance in 2020.

Moreover, CIB's specialized lending facilities extend to semi-secured bundles targeting premium segment customers, while raising the unsecured loan limit to EGP 5 million and offering overdraft lending against T-bills for Private customers.

### C. Segment driven focus

#### Value Proposition

- CIB actively works to help close the gender financing gap, advance youth finance, and overcome regional barriers through a diverse offering that is tailored to specific individual and market needs.



**Performance**

Closing the gender gap

As a reflection of its continued efforts, CIB's female customer base has continued to expand reaching 27% in 2020-2021 from 21% in 2019-2020. Female borrowers reached 144,598, with a total loan portfolio balance of over EGP 6.9 billion at year-end, compared to 121,789 borrowers in 2020.

Advancing youth finance

CIB has retained its under 30 customer base at 42% in 2021.

Overcoming regional barriers

CIB has maintained a growth rate of 18-24% across its geographic footprint (excluding touristic cities).

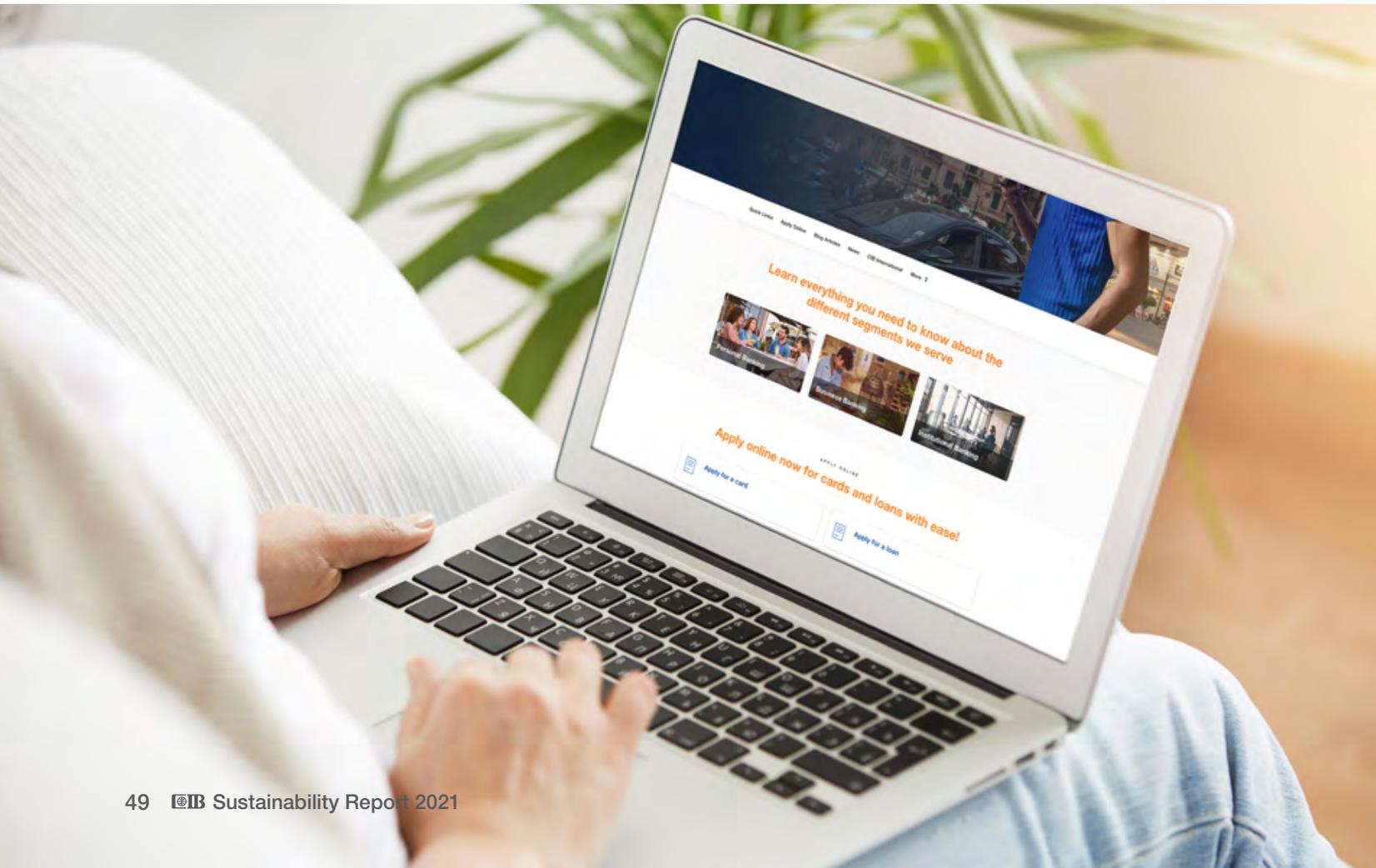
**D. Simplified Digital Services**

In an effort to reduce footfall at CIB's branches, limit paper use, and facilitate the banking process for customers, CIB actively works to develop and expand its digital sales and banking services, covering a wide array of needs among the Bank's consumer base.

**Digital Sales**

Launched in 2019 and 2020, respectively, CIB's online loan and credit card platforms provide convenient and fast-tracked services at the press of a button.

Total Number of Digital Sales			Growth Rate (Y-o-Y)	
2019	2020	2021	2019-2020	2020-2021
1,742,759,453	2,750,794,422	3,944,326,240	158%	143%



Launched in early 2020, online card issuance grew by 1.3K users by the end of 2021, an approval rate of 73% compared to 67% in 2020. The average turn-around-time for credit card application approval stood at 10 days, with cards delivered to the client within 5-7 working days.

### Points of Sale (POS)

CIB's POS services cover 29 locations nation-wide, maintaining a healthy presence despite declining y-o-y growth ratios. This being said, some regions recorded significant growth rates this year, mainly attributed to the addition of new technical features on POS and the introduction of updates that allow POS to accept all type of cards. This lead to an increase in acceptance volumes and a decrease in the decline ratios of transactions. CIB also became the first in the market to release a new, high-end android model with top line features, and added a new self-checkout model at Giant Supermarket.



POS	2020	Growth Rate (Y-o-Y)	2021	Growth Rate (Y-o-Y)
Hurghada	1,164	4.21%	1,456	25.09%
El-Tor	569	-7.18%	789	38.66%
Luxor	130	-12.75%	148	13.85%
Zagazig	157	12.95%	246	56.69%
Aswan	99	11.24%	122	23.23%
Ismailia	77	14.93%	106	37.66%
Assiut	57	26.67%	81	42.11%
Shebeen El Kom	38	35.71%	68	78.95%
Helwan	33	37.50%	53	60.61%
Beni Suef	21	40.00%	36	71.43%

# Business Banking and Microfinance

## Small and Medium Enterprises

### Value Proposition

CIB's Corporate Strategy and CBE directives stipulate that MSMEs represent 25% of the Bank's total asset books before the end of 2022. Accordingly, SMEs remain core target-segments within CIB's Financial Inclusion Strategy, to which CIB applies a relationship-based approach to create long-term value creation through providing lending facilities, dedicated qualified relationship managers, tailored accounts, a Business Banking call center, a Professional Services Alliance Program, and tailored digital solutions.

### Performance

At year-end 2021, MSME lending represented 17.83% of the total loan portfolio, compared to 12.83% in 2020. Lending to women-owned businesses increased by 86% to 188 customers in 2021, up from 101 customers in 2020 with total approved limits for women-owned businesses increasing by 63% to reach EGP 798 million in 2021, up from EGP 489 million in 2020.

2021 saw the CIB Business Solutions Program continue to grow. Since its launch in October 2019 and as of December 2021, the program has connected 32 companies with Bank partners that support SMEs and women-led businesses by providing diverse services at discounted prices. These services include legal advisory, auditing and accounting, e-commerce solutions, consultancy and training, marketing and research, human resource, technology solutions, and logistics and shipment.

CIB also launched the "Growing Together Initiative" near the end of 2021 to help companies establish sustainable business models with the support of non-traditional financial services providers. Using its existing non-financial services program "CIB Business Solutions", the Bank helps SMEs better manage and grow their businesses by connecting them with third-party service providers across multiple industries and sectors. "Growing Together Initiative" offers select SMEs support of up to EGP 250,000 in professional and advisory services and up to 80% of the invoices posted by service providers.

## Microfinance

### Overview

CIB provides financing to Microfinance Institutions (MFIs) that, in turn, distribute these funds to their customers, with each microenterprise receiving a maximum of EGP 200K in loans. This is in line with the CBE's mandate of allocating 25% of banks' total loan portfolios to SMEs and microfinance clients to bolster financial inclusion and empower women-led businesses. Of these funds, 2.5% should be directed to the MFIs.

### Strategy

CIB is positioned as a major microfinance market enabler. The Bank's significant market share sits on top of a credit-worthy portfolio that empowers MFIs via financial and non-financial services, bolstering the capabilities of female and non-bankable entrepreneurs.

In line with the CBE's strategy, CIB is introducing additional financial products such as management solutions and securitization to support the growth of MFIs by leveraging on capital markets and cash. Development Finance and Non-Bank-FI support CIB's financial inclusion activities by offering customers a wide range of innovative, tailored financial services, such as digital collections and disbursement to MFIs through CIB's Smart Wallet, while building on existing CIB services and products such as the Smart Wallet, Meeza, and Bedaya accounts.



## Performance

Clients served and loans provided in EGP

2020

2021

	Total clients	Total loans	Total clients	Total loans
Micro Enterprises	117K	96K	221K	191K

By sector	% of total loans in 2021	Total loans growth rate (Y-o-Y) (%)
Industry	6%	181%
Agriculture	5%	-58%
Services	16%	117%
Trade, etc.	74%	130%

By geography	% of total loans in 2021	Total loans growth rate (Y-o-Y) (%)
Urban	14%	312%
Rural	86%	76%

By gender	% of total loans in 2021	Total loans growth rate (Y-o-Y) (%)
Male	51%	80%
Female	49%	103%

By age group	% of total loans in 2021	Total loans growth rate (Y-o-Y) (%)
Less than 30	28%	99%
30 to 40	34%	87%
Above 40	38%	90%

# Digital Banking

## Performance

Digital Channels	Total transaction volume			Growth rate (Y-o-Y)		Total number of customers			Growth rate (Y-o-Y)	
	2019	2020	2021	2019-2020	2020-2021	2019	2020	2021	2019-2020	2020-2021
Internet Banking	1,604,826	1,778,158	2,162,104	11%	22%	592,137	802,036	1,039,741	35%	30%
Mobile Banking	1,610,435	3,513,953	7,282,784	118%	107%					
ATM	59,232,523	61,371,262	71,721,310	4%	17%	N/A	N/A	N/A	N/A	N/A
IVR	2,573,905	3,077,729	5,716,660	20%	86%	686,680	834,749	893,005	22%	7%
Cash Management	2,879,063	3,674,844	5,162,022	28%	40%	11,916	17,324	25,276	45%	46%
Trade Finance Management	20,875	25,602	32,279	23%	26%	2,263	3,727	5,258	65%	41%
Governmental Payments (Corporate Payment Services)	34,695	58,821	120,153	70%	104%	866	1,751	2,959	102%	69%

## Digital Transformation

At the end of 2020, CIB launched Bank of the Future (BOTF), a program that replicates the physical branch experience and redirects customer traffic towards the Bank's growing digital channels. Using robotics and operation centralization systems to increase efficiency and minimize service costs, the BOTF program will help establish CIB's digital platforms as the primary channels for serving customers. Front-line sales representatives were mandated to register and tutor customers in using the new online banking channels. Close communication with the branch network, as well as strong reporting mechanisms, provided insightful analytics, helping us monitor branch performance and assess the program's success.

The BOTF program is built on six key pillars, namely:

- A Service Digitalization**
- B Operations Centralization**
- C Robotics**
- D Branch Digital Experience**
- E Branch Classification**
- F Digital Sales**

### Service Digitalization

The BOTF has proven successful thus far, as the Bank was able to migrate many of its service offerings to digital channels. Online banking internal and external fund transfer migration rates, penetration rates, cost synergy, transaction volume, and transaction value have been particularly high.

<b>Scale</b>	<b>Y-t-d Sep 2020 (Before BOTF)</b>	<b>Y-t-d Dec 2021</b>	<b>% change</b>
<b>Online Banking Internal Transfers Migration Rate</b>	80%	89%	11%
<b>Online Banking External Transfers Migration Rate</b>	55%	81%	47%
<b>Online Banking Penetration Rate</b>	48%	63%	31%
<b>Online Banking Cost Synergy</b>	EGP 651 mn	EGP 1,580 mn	143%
<b>Online Banking Transactions Volume</b>	3.7 mn	9.4 mn	154%
<b>Online Banking Transactions Value</b>	EGP 63.1 bn	EGP 194.3 bn	208%

### Robotics

Robotic Process Automation (RPA) played a significant role in productivity enhancement, resulting in time, effort, and cost savings. In 2021, CIB automated processes using RPA technology and enrolled eight digital workers within the CIB ecosystem, which positively reflected on the Bank's business and facilitated more focus on improving customer engagement, boosting innovation, and accelerating transformation. Consequently, the average monthly volume of cases processed by RPA stood at 64K transactions, while the average handling time for those transactions was optimized by 70% to 956 hours from 3,131 hours before automation.

### Digital Sales

CIB is working on adding new revenue streams through the online banking channel by availing CDs and TDs booking requests as investment tools. This will increase NTB

onboarding rates, position the Bank's online platform as an effective digital sales channel, reduce branch traffic, and improve customer satisfaction and convenience.

The average monthly value of the digital bookings has surpassed EGP 1 billion, boosting total CDs and TDs booking volume and value to 39.2K transactions and EGP 10.4 billion, respectively, YTD December 2021. CIB also established new KPIs to monitor and measure the effectiveness of digital sales, such as the New to Term CD/TD, which measures the percentage of new customers per product or service. Meanwhile, opening additional accounts via online banking also witnessed a significant increase, while online banking for credit card and loans requests reached 4K.

## Impact on Operations and Migration

Digital Channels	Impacts on Bank's Operations			
	Cost Synergy (EGP)			Growth rate (Y-o-Y)
	2019	2020	2021	
ATM	1,168,215,222	1,484,791,592	1,637,079,760	10%
Internet and Mobile Banking	500,453,224	946,493,936	1,580,255,626	67%
IVR	25,650,057	35,209,198	67,463,942	92%
Cash Management	480,045,079	667,025,934	887,821,020	33%
Trade Finance Management	10,370,678	18,112,011	25,288,729	40%
Government Payments (Corporate Payment Services)	3,726,345	5,194,342	9,792,250	89%
<b>Total</b>	<b>2,188,460,604</b>	<b>3,156,827,013</b>	<b>4,207,701,327</b>	<b>33%</b>

Digital KPIs	Digital Migration Rate at End of 2021
ATM cash deposits migration rate (<EGP10K)	96.3%
ATM cash withdrawal migration rate (<EGP20K)	99.02%
Online banking credit card settlement transactions migration rate from branches	98%
Online banking internal transfers transactions migration rate from branches	89%
Online banking external transfers transactions migration rate from branches	81%
IVR migration rate (% of eligible inquiries from call center to IVR-self service)	84%
Outgoing transfer migration rate through online cash management products	91%
Internal transfer migration rate through online cash management products	67%

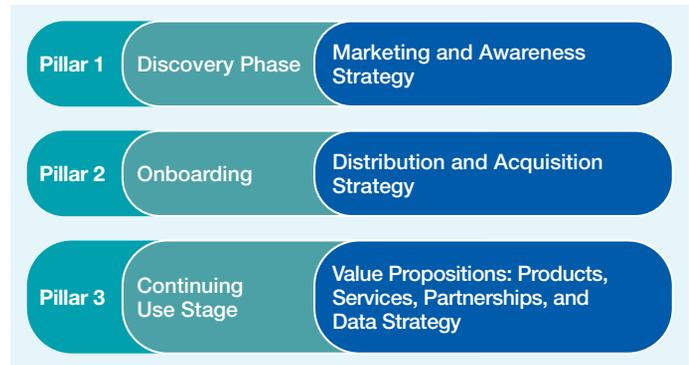
# Financial Inclusion

## Overview

Egypt's banked population, or adults that have access to financial services, is currently at 56.2%, based on a report published by CBE in 2021. In line with the CBE's October 2020 directives, CIB launched its Financial Inclusion Division and developed a board-approved, five-year financial inclusion strategy to provide the most vulnerable segments of society with easier access to financial services by harnessing the Bank's digital acumen. The division collaborates with multiple internal stakeholders to build on existing initiatives, while developing and consolidating the Bank's financial inclusion strategy, products, services, and programs.

## Strategy

CIB aims to utilize technology, partnerships, and data to better identify and serve untapped markets in a sustainable manner. The Bank's long-term strategy focuses on identifying new customer segment journeys, as well as corresponding existing pain points and barriers that need to be addressed to facilitate access to financial services. This is achieved by applying three pillars of operation:



The department's target segments include women, youth, people with disabilities, independent business owners, micro-finance, and generally unbanked or underserved segments.

## CIB Financial Inclusion Products and Services

	Products and Services	Date of Launch
Women/ Youth/ Unbanked/ Underprivileged	Mobile Wallet	2015
	Meeza Cards	2019
	Bedaya Accounts	2021
Independent Business Owners	Bedaya Business Accounts	2021
People with disabilities	Bedaya Accounts	2021

### CIB Financial Inclusion Segments

#### Youth

Customers aged 16-35

#### Independent business owners

Freelancers, entrepreneurs, gig workers, and others

#### Women

Low-income and vulnerable women that the bank can empower by availing them access to financial services.

#### Microfinance

Individual customers targeted through CIB's strategic alliances with major MFIs in the market

#### Unbanked

Individuals who do not own any bank account, prepaid card, or wallet at CIB

#### Underserved

Existing lower income customers that only have one product at any financial institution

#### People with Disabilities

Customers who require additional, special requirements, such as the Talking ATMs, to facilitate their access to banking products



## Performance

### A. Women and Youth Support

CIB's Smart Wallet provides financial services such as P2P transactions, bill payments, and online purchases with no bank account required. Bedaya and Bedaya Business accounts serve women and women entrepreneurs, especially housewives with no proof of income or professionals who do not have a commercial register for their women-led businesses. Requiring only a valid national ID, CIB allows the unbanked to seamlessly open bank accounts without the need for burdensome documentation, one of the main barriers to accessing financial services.

FI product or service	% of clients under 30 years old		% of clients 30-50 years old		% of clients above 50 years old	
	Male	Female	Male	Female	Male	Female
CIB Smart Wallet	21%	5%	49%	10%	11.6%	3%
Bedaya Saving Accounts	42%	17%	24%	11%	2%	3%

#### % of females and males out of total prepaid customers acquired (by year)

Prepaid cards	2020	2021
Female	22%	43%
Male	78%	57%

Mobile Wallet	Growth rate (Y-o-Y)	
	2019-2020	2020-2021
Women	14.1%	10.4%
Youths (16-35 years)	N/A	13%

### B. Unbanked and low-income individuals

FI product or service	Growth Rate y-o-y	
	2019-2020	2020-2021
Mobile Wallet	18.2%	74.18%
Accounts	N/A	29.7%
Prepaid cards	N/A	166.8%

FI lending facilities	Growth rate (Y-o-Y) - 2021	
	Total clients	Total loans
NTB customers	18%	41%
Low-income	31%	-

### C. All segments

#### CIB Smart Wallet

Launched in 2015, CIB Smart Wallet serves both banked and unbanked customers by providing a convenient, secure, and cost-effective way to conduct financial transactions through mobile devices. Through it, customers can easily pay bills, recharge their mobile prepaid lines, send money to other wallet holders in Egypt, and deposit or withdraw funds from any ATM machine or any of CIB's Authorized Banking Agent's outlets. Customers, especially women, can also leverage the wallet to independently send and receive money when selling products or receiving remittances. The expansion of Authorized Banking Agent's outlets helped it extend its reach to potential customers all over Egypt, and the company is equipped to appropriately serve and support them. Services provided by the Authorized Banking Agents include registering to CIB Smart Wallet, and performing deposits and/or withdrawals to and from it.

CIB offers its business clients the wallet as a method of disbursing funds to their employees. These funds can range from salaries to bonuses or incentives. The Bank provides each company with the portal, an Automated Clearing House (ACH), to facilitate disbursement transactions. This solution is ideally tailored for companies whose employees are not eligible to open bank accounts or have excess cash payments that shall be eliminated. To that end, the Bank reached out to companies that are open to eliminating cash transactions between them and their customers and employees. As for the end-customer, they do not have to exert more effort to receive their funds or send payments to the company, as the wallet facilitates these payments from any place and at any time.



#### Meeza Card

The CBE released the first circular related to the Meeza prepaid cards in 2019. The card facilitates access to financial services for all societal segments and increases the banked customer base.

The Meeza card has a number of benefits for customers:

- Light KYC, as customers must only fill in and sign a simple KYC application form to issue a card.
- Low fees, as the Meeza card currently has no issuance fees, and no fees on depositing or withdrawing cash from CIB ATMs. Minimal fees are applied to deposits and withdrawals at any CIB branch.
- Customers can use their Meeza prepaid card for any local purchase, both online and offline (POS machines), and deposit or withdraw cash from any ATM in Egypt.

#### % of female/male customers out of the total prepaid customers acquired during the year

##### Prepaid cards

	2020	2021
Female	22%	43%
Male	78%	57%

### Bedaya Accounts

Bedaya accounts aim to increase access to financial services in Egypt by facilitating the process and offering a variety of tailored products that serve each segment on the individual and company levels. The card offers discounted fees to encourage unbanked segments of society to join the banking sector. In addition to opening a basic savings account for individuals or a current account for professionals, customers can also enjoy other bank services such as issuing TDs and CDs and applying for secured facilities.

The accounts were launched at the end 2021, with almost 3.5K Bedaya Savings, 30 Bedaya Business, and two Bedaya current accounts opened as of the end of January 2022.

### ATMs

Of the 18.5K ATMs in Egypt, 1.3K are CIB ATMs, with wide geographical presence across the country. CIB's entire ATM fleet has Mobile Wallet functionality, serving financial inclusion by providing an additional digital channel to perform deposits and withdrawals.

### CBE Financial Inclusion Initiatives

CIB takes part in six financial inclusion initiatives throughout the year. Over 78K new customer wallets and 12K accounts were opened during this year's campaigns.

Events	Suggested event duration	On the occasion of
Women's Celebration	8-31 March	International Women's Day
Arab Financial Inclusion Day	1-30 April	Arab Financial Inclusion Day
Youth Celebration	1-15 August	International Youth Day
Farmers' Celebration	1-15 September	Farmer Eid
Saving Celebration	15-31 October	International Financial Inclusion Week
Disability Celebration	1-15 December	International Day of Disabled Persons

### Financial Literacy

CIB is keen on providing financial literacy programs across Egypt. It has started by conducting sessions and activities in specific Egyptian governorates, in line with the country's Hayah Karima initiative.

Financial literacy campaigns/ activities	Number of attendees		Age group	Location	Date	Duration
	Male	Female				
Hayah Karima	20	20	25-50	Menoufia	December 2021	1 day
Hayah Karima	20	20	30-50	Qena	October 2021	3 days
Hayah Karima	150	50	30-60	Assiut	December 2021	3 days
Hayah Karima	50	30	25-50	Sohag	November 2021	1 day

### Summer Internship Program

The Financial Inclusion department supported the Learning and Development department in putting together a summer internship program centered around the theme of financial inclusion, with over 10K students enrolled.

### Forward-Looking Plan

To further bolster Egypt's financial inclusion efforts, CIB plans to:

- Provide financial and digital literacy awareness sessions with a special focus on women, youth, freelancers and under-served individuals. The training will focus on mobile wallet and light KYC product features.
- Improve the interface of the CIB Smart Wallet mobile application.
- Ensure that all CIB branches are equipped, either fully or partially, to serve all segments of society, including people with disabilities.
- Increase internal awareness among staff about financial inclusion initiatives, products, and SOPs through training sessions, internal webinars, and similar methods.



# Remittances

## Value Proposition

Remittances are commonly the first financial product used by many low-income customers. They often act as a steppingstone to accessing multiple financial services. Women are among the primary beneficiaries of remittances, as part of CIB's plan to bolster financial access and economically empower women, with special focus poured into bolstering their financial inclusion and literacy. Providing remittance services also allows the Bank to gain insights on how to make products more client centric.

COVID-19 lockdowns have also emphasized the importance of having access to a payment instrument where remittances can be received, and payments can be made digitally. As such, customers can now easily perform various transactions through the mobile wallet (transferring money, purchasing online, paying bills), Meeza Cards (ATM cash in or out and online local purchases), or Bedaya Accounts (saving and using the debit cards to make local purchases online).

## Performance

A number of services have been extended to the Bank's support functions, resulting in notable gains in 2021. Awareness visits conducted for relationship managers and branch staff improved customer service by enhancing their knowledge of CIB's digital products. In addition, business reengineering to adopt Straight-Through Processing (STP) – including process automation – and increased efficiency has reduced the Bank staff's workload. This, and other internal digitalization initiatives, has helped eliminate manual work and automate daily payments processing.

## Forward-Looking Plan

CIB aims to continue contributing to Egypt's financial inclusion efforts. The Bank will potentially allow all financial inclusion segments to receive remittances through its three financial inclusion products – Smart Wallet, Meeza Cards, and Bedaya Accounts. Focusing on women, CIB will provide them with financial and digital literacy trainings, which will specifically focus on awareness regarding features of mobile wallets, prepaid cards, debit cards, deposit accounts, budgeting, savings, consumer protection, digital payments, and more. These trainings will also cover broad digital skills including PIN literacy, security, consumer protection, among others; and will include content on encouraging critical thinking about CIB products and services and understanding their features, terms and conditions, and other related aspects.

## Remittances 2021

**29,452**

Total number of clients

**46%**

Growth in total number of clients

**511,402,376,711**

Total volume (in EGP)

**945,566**

Number of domestic digital transactions

**12,124**

Number of cross-border digital transactions





## Customer Rights Protection

Customer rights is a key pillar in CIB's customers' relationship management and ensures that they are being treated fairly and transparently at all stages. The Customers' Rights Protection guidelines include the framework and mandates outlined in the Treating Customers Fairly (TCF) policy. The guidelines also provide organizational guidance on how to ensure these principles are adequately reflected across the Bank's daily operations and activities, as well as its organizational culture. These principles are mirrored in all of CIB's Standard Operating Procedures.

As a reflection of its commitment to protecting consumer rights, CIB is committed to reviewing all customer complaints. The Bank received a total of 430 complaints through the CBE in 2021, all of which were duly reviewed and investigated as required. Of these, 70 complaints were found to be valid, and CIB undertook all necessary actions to address and rectify the issues. The results of investigations for all complaints received through the CBE are communicated to CIB's regulator after conclusion and disclosure to the customer.

### Mechanism for handling customer complaints

CIB receives customer complaints through main five channels, namely the CIB official website, the Internet and Mobile Banking application, CIB Contact Center, Customer Care Unit email, complaint boxes located at branches.

Customer complaints are handled and communicated to the concerned department(s) through a CRM system, with each case assigned a reference number communicated to the customer. The turnaround time for resolution is 15 working days, with an additional 15 working days if the customer is not satisfied with the resolution. Customers have the option to escalate the issue to the CBE, as stipulated in the related CBE Consumer Protection Guidelines.

Furthermore, CIB's Internal Audit function evaluates the adequacy and effectiveness of the workers' complaints framework by making sure that:

- Adequate policies that cover all complaint mechanisms are in place
- Adequate and effective complaint channels are in place
- Staff are provided with sufficient training to increase their awareness of these reporting channels, their rights, and that they will be protected after filing a complaint.

Finally, and when applicable, the Internal Audit function provides recommendations on promoting these complaint mechanisms in line with best practices.

### Policies on raising financial and banking awareness:

- Customers Rights Protection Department Guide (General Principles)
- Conduct Risk
- Sales Quality and Advice, Marketing and Communication, and Treating Customers Fairly policies
- Learning Center on the CIB Official Website
- Customer data protection policies and account confidentiality
- Customers Rights Protection Department Guide (Protecting Privacy and Confidentiality of Information)



# Employees

CIBians continue to stand out as one of the long-standing assets driving the Bank's success. While providing clients with best-in-class financial solutions and banking services, CIB remains committed to its employees' economic, social, and physical wellbeing. Through a set of value propositions that have been established and monitored year over year, the Bank maintained its positioning as an employer of choice by focusing on four, employee-centric strategic goals:

1. Fostering an inclusive and diverse work environment
2. Flagship women empowerment practices and programs
3. Promoting employee wellbeing
4. Learning and Development (L&D)

With progressive working conditions and a wide range of training and development opportunities, CIB employees benefit from attractive long-term career opportunities in an

inclusive work environment, allowing the Bank to retain their knowledge and experience and maximize its value in the interests of clients.

## Inclusive and Diverse Working Environment (GRI 405-1)

CIB has a diverse and empowered team with a distinct culture, guided by the Bank's goals and vision. Diversity and inclusion are strongly aligned with CIB's purpose and consistent with its strategic priorities. This is considered vital to attracting and maintaining the best talent pools and subsequently providing the best levels of service to the Bank's customers.

### Gender diversity

CIB is committed to creating a diverse and inclusive workforce that fosters innovation and contributes to the Bank's long-term sustainability and market leadership. The Bank's workforce grew to 7,458 employees in 2021, up from 7,289 in 2020, with women accounting for 29% and men accounting for 71%.

	Under 30 years old		30-50 years old		Over 50 years old		Total Number
	Male	Female	Male	Female	Male	Female	
Number of male employees	1,442		3,497		319		
Number of female employees		755		1,341		104	
<b>Total number of employees</b>	<b>2,197</b>		<b>4,838</b>		<b>423</b>		<b>7,458</b>

## Age Diversity

We actively seek to provide equal opportunities to different age groups across the talent pool. This includes members of the younger generations, those who have established experience in the banking sector, and experts with long-standing knowledge and mentorship capabilities.

	Under 30 years old	30-50 years old	Over 50 years old	Total
Percentage of all employees	30%	65%	5%	100%
Percentage of male employees	20%	47%	4%	71%
Percentage of female employees	10%	18%	1%	29%

## New Hires (GRI 401-1)

In line with the Bank's goals of attracting new and young talent to the banking sector, 88% of CIB's new hires were under the age of 30. Overall, 29% of employees are under the age of 30, 65% are between the ages of 30 and 50, and 6% are over the age of 50.

	Under 30 years old		30-50 years old		Over 50 years old		Total Number
	Male	Female	Male	Female	Male	Female	
New male hires	285		38				
New female hires		142		18		1	
<b>Total new hires</b>	<b>427</b>		<b>56</b>		<b>1</b>		<b>484</b>

	Under 30 years old	30-50 years old	Over 50 years old	Total Number
Rate of new hires	88%	12%	0%	
Rate of new hires (males)				67%
Rate of new hires (females)				33%

## Turnover (GRI 401-1)

	Under 30 years old		30-50 years old		Over 50 years old		Total Number
	Male	Female	Male	Female	Male	Female	
Turnover (Male)	75		125		22		*
Turnover (Female)		44		64		7	**
<b>Total turnover</b>	<b>119</b>		<b>189</b>		<b>29</b>		<b>337</b>

	Under 30 years old	30-50 years old	Over 50 years old	Total Number
Rate of turnover to the total of resigned employees	35%	56%	9%	
Rate of turnover (male) (to the total of employees)				66%
Rate of turnover (female) (to the total of employees)				34%



## CIB's Flagship Women Empowerment Practices and Programs

### Board Level Representation

Recognizing the positive impact of gender diversity on team and organizational performance, CIB continues to promote strong female representation across all positions. We run special programs to foster the development of female professionals within and outside the Bank. The Bank's Board of Directors includes two women, accounting for 25% of the total board members. This reflects the high caliber of talents within CIB, as well as the diverse backgrounds and experiences among top management.

### Guided by Global Practices

#### Bloomberg Gender Equality Index

In 2021, CIB retained its position on the Bloomberg Gender-Equality Index for the fourth consecutive year. The Bank believes it is critical that its internal policies reflect a commitment to providing a safe and empowering environment for women.



### Egyptian Gender Equity Seal (EGES) and Supporting National Priorities

CIB was the only organization from the banking industry to participate in the creation of an Egyptian Gender Gap Initiative as part of its commitment to supporting the national agenda, after Egypt became the first country to establish a national strategy for women's empowerment in alignment with the UN's SDGs, entitled the Empowerment of Egyptian Women 2030. As a result, the Bank successfully completed the EGES certification process, receiving it in March 2021 at a virtual event held by the National Council for Women (NCW) and the World Bank.

CIB is the only bank in the MENA region to receive this certification based on the World Bank Gender Equity Model (GEM), demonstrating a commitment to addressing the long-standing issue of gender inequality. The EGES certification process promotes gender equity in the private sector by building a series of good practices in the four areas of recruitment, career development, family-work balance, and sexual harassment policies.

## CIB's Longstanding Women Empowerment Programs

### Helmik Yehmena - You Make a Difference

CIB is diligently working to increase female employment levels, and initiated the Helmik Yehmena (You Make a Difference) project in 2020 with the goal of enhancing female employee representation across all career prospects by mentoring women to maximize their potential. The Bank collaborated with a number of colleges in order to attract bright individuals for open positions around Egypt. The second phase of the program was launched in 2021 as an online developmental program, with the aim of encouraging young female talents in Upper Egypt and the Delta to join the workforce. HR also enrolled candidates who attended the program into CIB's selection process, so that they are considered whenever a suitable vacancy is available.

The Bank's ultimate goal is to close gender gaps in new recruitment cycles while encouraging women on a national level to exercise their right to choose, as well as enhancing their work prospects in the banking sector.

### She's Back

This initiative seeks to ease the transition for women returning from childcare leave. Returning personnel are kept up to date on material developments that occurred during their absences, such as corporate and macroeconomic knowledge, operational adjustments, internal policy changes, and economic and banking sector updates.

Despite the pandemic, the program continued to welcome returning mothers, reaching 23 participants in 2021.

### Women in Tech

In 2021, CIB launched the second batch of "Women in Tech", which was first introduced in 2019. The aim of the program is to address the gender gap in the technology departments of the Bank and help build up talented women to work in tech divisions. Several candidates were selected to join the program in 2021, and their rotation included the IT, Security and Resilience Management, and Digital Banking and Global Transaction Banking departments, covering both theoretical and practical knowledge. The closing ceremony featured presentations from candidates in the presence of members from CIB's executive and senior management.

### Women Leadership Program

CIB is a firm believer in the importance of empowering its female employees. This, in part, is reflected through its L&D efforts in creating specialized developmental tracks for women across first line management, professional



and secretaries' levels. The Bank's aim here is to promote diversity and inclusion among leadership styles, and address unconscious biases professionally, diplomatically, and tactfully.

#### Exclusive Women Leadership Program by the Egyptian Banking Institute (EBI)

A two-day training course designed for women in middle management, consisting of two international leadership modules. They cover topics including how to boost self-confidence, conquer doubts, influence others, and project wisdom while savoring the flavor of real life experiences. They also discuss insights by leading women in the banking sector who have conquered multiple challenges in their pursuit of success.

### **Employee Wellbeing**

CIB strives for high standards and strong value propositions to promote employee wellbeing in all areas, including:

- a. Health and Safety
- b. Remuneration
- c. Compensation
- d. Benefits
- e. Parental Leave
- f. Ethical Workplace
- g. Retirement and Pension
- h. Flexible Work Arrangements
- i. Employee Wellness Program



## Health and Safety

CIB prioritizes its employees' well-being and follows Egyptian laws and regulations to guarantee that its people work safely and stay healthy. The Bank follows Labor Law No. 12 of 2003, pertaining to private sector companies which controls the relationship between employers and employees. In addition, every building at CIB has its own committee (10 to 12 staff members in each building) that manage a health and safety system. This system records and reports accident statistics every month, including number of employees affected with regular and chronic diseases; work accidents; occupational health diseases, and life-threatening accidents.

The Bank has its own healthcare services provided by a Social Insurance Fund. The bank provides all employees, regardless of employment grade, with health and medical care and insurance that covers up to 10% of their monthly gross salary. CIB has agreements in place with a broad network of first-rate doctors, hospitals, and labs in every city across the country.



Periodic medical checkups, frequent reviews of risk areas across CIB premises, and training new personnel on how to identify any hazard areas, are all part of the Bank's efforts to improve workers' health and safety. Before starting work or during the hiring process, new employees are asked to undergo a medical checkup with their doctors to identify any pre-existing ailments that may prevent them from performing specific duties.

In light of COVID-19 and to secure the safety of staff and customers, the Bank launched a program in collaboration with the Ministry of Health to provide all CIB employees and their families with the vaccine. As of January 2022, around 7,000 employees and family members have been vaccinated.



In addition to regular occupational health services, CIB takes a holistic approach to maintaining employee health and safety. This strategy recognizes the largely psychosocial nature of health and safety hazards for financial industry personnel. It includes preventive medicine and physical health and safety measures and also focuses on recognizing and managing mental health and wellbeing. HR has launched an e-learning module with the aim of raising awareness level towards firefighting and highlighting employees' roles and responsibilities towards that subject, whereas the said module was successfully completed by 72% of the overall population. For example, CIB is one of Egypt's few national organizations that promotes male parental leave, which it considers to be one of the most important parental rights for individuals' well-being and family health.

### Remuneration

CIB's remuneration policies are reviewed regularly, taking into account shifting market trends. The recruiting and remuneration practices of CIB offer equal opportunity for all candidates, regardless of gender, religion, age, or marital status.

CIB makes no distinction between men and women in terms of basic salaries and remuneration. The Bank's entry-level salary ratio is higher than the national regulation threshold,

ensuring talent attraction and equal pay for men and women in accordance with industry norms. CIB adheres to the same fair pay standards for its outsourced employees, who are offered higher packages than national peers indiscriminately.

### Compensation

CIB's compensation plan is based on fair and transparent incentives designed to foster a motivational culture. It is a long-term variable incentive scheme that is used to compensate and retain CIB personnel.

As part of its compensation strategy, CIB offers an Employee Stock Ownership Plan (ESOP) to attract, motivate, retain, reward, and build ties with excellent employees, managers, and executive board members. Through promise-to-sell agreements, ESOPs enable chosen employees to own CIB stocks at face value. ESOP receives 10% from the issued capital across 10 years, with the condition that allocated shares must not exceed 10% from paid-in capital during the aforementioned period.

## Benefits



### Interest-Free School Loans

Employees are offered interest-free school loans, equivalent to two months of their gross salary. The loans can be repaid over a period of up to 12 months.



### Educational Grants

In compliance with the HR Policy, CIB finances certificates, diplomas and executive masters programs for its employees. The Bank supports developmental aspirations and looks at this as an integral approach for business enablement and sustainability.



### Stock Ownership

The ESOP, a variable long-term incentive program, is used to compensate and retain CIB employees.



### Credit Cards

Credit cards are provided to CIB staff with a subsidized interest rate of less than 1.3%.



### Health and Social Insurance

CIB covers up to 10% of employees' monthly gross salary, across all employment grades.



### Staff Loans

A loan with a subsidized decreasing interest rate of 7.75% , to be repaid over a maximum tenor of six years.



### Housing

Provided to employees of all levels in specific areas across Egypt, using marital status as the sole distinction to provide convenient solutions



### Mortgage Loans

Featuring a subsidized interest rate averaging 11%.



### Disability

Employees with disabilities are included in all benefits provided to CIB employees. Additionally, they are granted the option to reduce their working hours by one hour.



### Transportation Assistance

CIB provides transportation for employees in different meeting points inside Greater Cairo to Smart Village buildings.



### Company Vehicles

CIB provides cars for certain managerial levels of employees.

## Housing Benefits

The housing benefit guidelines are regulated by the corporate services department.

## Parental Leave

CIB adheres to national legislation that provides eligible paid maternity leaves for 90 calendar days to female employees who have completed at least ten months of employment. In 2021, 503 female employees gave birth and took parental leave, with 78% returning to work.

CIB is one of Egypt's few national organizations that promote parental leave for fathers. CIB fathers are entitled to a three-day paid leave when their child is born. Although not mandated by national regulations, CIB considers parental leave for fathers an essential parental right that is critical for individuals' wellbeing, family health, and community values. In 2021, 342 male employees took parental leave.

	Female	Male
<b>Total number of employees entitled to parental leave</b>	1,001	3,201
<b>Total number of employees that took parental leave</b>	503	342
<b>Total number of employees that returned to work in the reporting period after parental leave ended</b>	187	342
<b>Total number of employees that returned to work and remain employed 12 months later</b>	146	339
<b>Rate of return to work</b>	78%	100%
<b>Retention rates of employees that took parental leave</b>	78%	99%

## Ethical Workplace

CIB has in place a non-discrimination policy that highlights the importance of its responsibility as an equal opportunity employer, without bias against gender, race, color, religion, age, or physical ability. Filing complaints or occurrences of discrimination are governed by the "Staff Issues Committee". In 2021, there were no reports of discrimination at CIB. It is also of note that the committee is regarded as a best practice model for collective bargaining agreements.

## Retirement and Pension

CIB contributes to employees' retirement plan through the Social Insurance Law, which entitles them to a pension plan, and handles all liabilities using CIB's general resources. Regarding termination, and as stipulated by the Egyptian labor law, an eight-week termination notice is put in effect for employees who spent between one and 10 years with the Bank, and a three-month period is stipulated for employees who spent over 10 years with CIB. Employees who submit their resignation might be asked to leave the bank immediately, with the remaining period of their tenure considered as a garden leave.



## Flexible Work Arrangements

CIB's progressive thinking approach focuses on quality and results rather than traditional working conditions. In 2021, the Bank continued to promote its flexible work arrangement approach, which was first introduced in 2020. The program gives employees the flexibility to balance their life and work schedules, as it offers the option to adjust start and/or departure times. This program also provides employees with the opportunity to work from the office or from the home, according to business needs.

Empowering women is another primary objective for the flexible work arrangements approach. Parents with infant children are given the option to work from home instead of applying for an unpaid leave. Through this, CIB aims to promote gender equality among its female employees across different levels of the organization.

## Employee Wellness Program

In line with CIB's strategy to support employees in managing their stress levels, improve their productivity, and boost their overall mental health, HR introduced a workplace counseling service. The service was first launched to help all CIB employees cope with the spread of COVID-19, the new norms that the pandemic imposed, and the increased fear, stress, anxiety, and mental-unpreparedness for living with uncertainty, especially in the absence of usual coping mechanisms. The counseling service provides employees with integrated wellbeing and mental health support. This enables a conducive work environment and is pivotal in maximizing employees' performance and productivity, as well as boosting their overall mental health and well-being.



## Learning and Development

### Internal Training

CIB has always been keen on offering needs-based learning tracks and programs that are tailored to employees, groups, or departments, defined in an annual Training Needs Analysis (TNA). Keeping with the Bank's vision to house the best talents, education and training opportunities are provided to employees at all levels and positions.

After recovering from social distancing and interruptions caused by the pandemic, education programs and trainings were delivered through virtual, in-class, and unconventional learning formats with the help of CIB's qualified trainers or in partnership with external parties. As a result, a total of 419,819 training hours were conducted in 2021, compared to 194,507 in 2020. CIB's robust IT infrastructure secured digital platforms that met the needs of various training plans and comfortably accommodated the amount of participants.

	2020(*)	2021
<b>Number of staff trained</b>	6,525	6,944
<b>Percentage of trainees to total employees</b>	92%	95%

(\*) Numbers include Online Digital Learning

### Training Courses by Course Type 2021

To improve our employees' talents, the following courses were presented in 2021:



Business Skills



Leadership and Management Skills



Technical Skills



Sales and Services



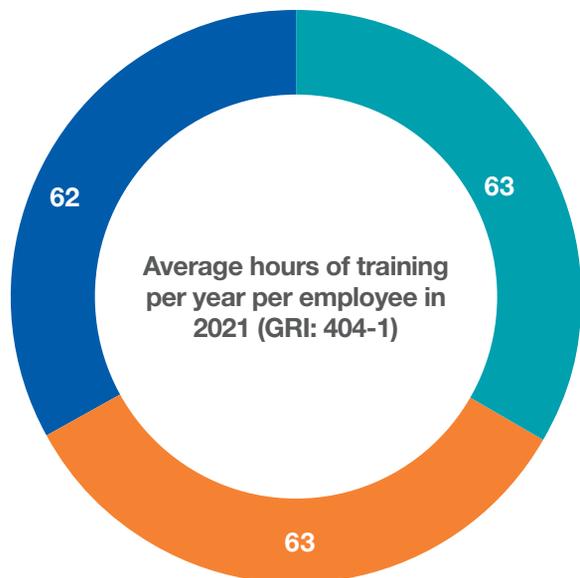
Digital Training

Training courses by type	Number of trainees		Total training hours
	Male*	Female*	
Business Skills	1,566	759	33,815
Leadership and Management Skills	1,354	735	31,356
Technical Skills	4,880	1,854	225,216
Sales and Services	1,413	422	33,720
Digital Training	68,749	26,964	95,713
<b>Total by gender/total hours</b>	<b>77,962</b>	<b>30,734</b>	<b>419,819</b>

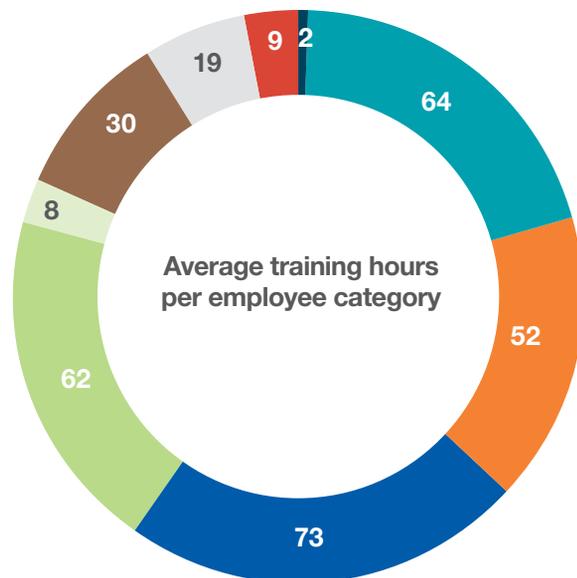
(\*) Numbers include Online Digital Learning

Training courses by employee category	Number of trainees		Total training hours
	Male*	Female*	
Professionals	48,003	21,498	268,985
First-line management	16,351	4,863	79,389
Middle management	12,174	2,304	59,728
Secretaries	0	1,661	3,420
Management	1,188	349	5,865
Senior management	127	47	2,113
Executive management	1	3	4
Non-clerical	110	0	285
Seconded companies	8	9	30
<b>Total by gender/total hours</b>	<b>77,962</b>	<b>30,734</b>	<b>419,819</b>

(\*) Numbers include Online Digital Learning



- Average training hours per employee
- Average training hours per female employee
- Average training hours per male employee



- Executive management
- First line management
- Management
- Middle management
- Professionals
- Seconded companies
- Secretaries
- Senior management
- Non-clerical

### External Training

CIB assists its employees in gaining global experience by providing external training and education programs for personnel outside of Egypt. In 2021, 16 employees completed 1,122 hours of training in specialized programs provided by international institutions.

External training course/Education type	Number of employees		Total training hours
	Male	Female	
Certificate in Building High Performance Boards	0	1	21
AUC EMBA	2	3	855
IIF - Future Leaders	1	0	35
MIT - Essential IT for Non-IT Executives	0	1	15
Euromoney - School of Bank Risk Management	0	1	35
Online GSB Bank Technology Security School	1	0	42
Online GSB Financial Managers School	1	0	35
MIT - Mastering Design Thinking	1	0	84
<b>Total hours</b>	<b>6</b>	<b>6</b>	<b>1,122</b>



# Suppliers

## Supply chain

The Bank's supply chain management is authorized to deal with suppliers and service providers when acquiring or contracting for goods, services, and intellectual property assets.

The team's main functions are:

- Issuance of tenders to procure the required goods and services.
- Purchase Order Issuance.
- Online Procurement.
- Supplier Registration
- Identifying/Monitoring Vendors KPIs

All procurement activities are centralized and secured by the Supply Chain team to ensure standardization. The Bank's supply chain management plays a significant role in cost rationalization and operational and business efficiency. It continues to commit to the adaption of responsible practices, as its sourcing and procurement are in line with its environmental objectives with regards to energy saving and recycling.



Desktop computers, laptops and printers have energy-saving specifications



Plastic bags are made from biodegradable materials



Lighting systems have energy saving specifications



Wood products are either recycled or made from harvested trees



Focus on local supplies



## Significant changes to the organization or its supply chain

A new structure has been established to ensure smooth operations and swift responses to the Bank's requirements. The Vendor Management Policy was also recently updated to include all vendor management relations, procurement and tendering activities and policies, as well as the third party dealings. This new Third Party Risk Management Guide clearly outlines the relationship with all suppliers, vendors, and outsourced services through all its stages. As a result, a new division was introduced to handle all the third-party relationships.

## Proportion of spending on local suppliers

Around 95% of CIB's procurement budget was spent with local suppliers and vendors, with 90% of its vendor base being local suppliers.



# Community

## Overview

Over the past twenty years, CIB has strengthened its commitment to Egypt's welfare through a dynamic corporate social responsibility (CSR) program. As Egypt's leading private sector bank, CIB has institutionalized its commitment to the Egyptian community through the launch of CSR initiatives, sponsorship of major national and international events, and special projects led by the CIB Foundation, all with the goal of having a profound, positive impact on society.

The CIB Foundation is a non-profit organization dedicated to improving the quality of health and nutrition services in Egypt, as well as promoting sports and community development. The Foundation places special focus on impoverished children who lack access to quality healthcare through long-term projects with a diverse group of well-established partners. Founded in 2010 to expand CIB's CSR activities, the Foundation provides donations and monetary assistance, project monitoring, and follow-up, to ensure that allocated resources are maximized and set goals are met.

The CIB Foundation has been recognized for its work with local communities, receiving several awards that speak to its effectiveness in making a meaningful and sustainable impact.

In 2021, the Foundation received the MEED award for Best CSR Initiative in Asia and the Middle East, as well as the African Banker Sustainable Bank of the Year award.

## Promoting Community Health

CIB Foundation aims to alleviate the financial strain on families in need of affordable healthcare services. In pursuit of this vision, the Foundation is dedicated to improving service quality at its partner institutions to provide the best possible care for young Egyptians. A healthy population is required for a productive community, and CIB Foundation works to ensure that Egyptian children receive the care they need to live the healthiest lives possible. Through collaboration with public, private, and non-governmental healthcare providers, the CIB Foundation aspires to effectively and sustainably achieve the broadest community reach possible, focusing on those in most need.

The CIB Foundation's Board approved a number of new projects in 2021, in addition to its current efforts to improve the quality of healthcare services offered to children across Egypt in accordance with Egypt Vision 2030 and the UN SDGs.



## Cardiology

### 1. One Heart

CIB Foundation contributed EGP 24.46 million to the purchase of new state-of-the-art equipment for Al Nas Hospital's NICU and PICU. The two units will serve approximately 2,000 children annually and provide free services to underprivileged communities. Al Nas Hospital, managed by Al Joud Foundation, has been a strategic partner for CIB Foundation since its inception, operating in accordance with international standards.

CIB Foundation also donated EGP 10 million to finance 100 pediatric open-heart procedures in order to minimize the number of children on waiting lists and alleviate some of the hospital's financial challenges.

### 2. Stronger Hearts...Stronger Future

Building on the long-standing collaboration between the Magdi Yacoub Foundation and CIB Foundation, the Board approved EGP 30 million to support 200 open-heart surgeries and purchase 345 Cath lab consumables for use at the Aswan Heart Center.

Over a three-year period, the Foundation contributed EGP 35 million to the establishment of a Pediatric Catheterization Lab, which allows doctors to undertake minimally invasive testing and operations on patients with various heart diseases. The Cath lab devoted to pediatric patients will see around 960 children each year.



### 3. Children Without Risk

Building on the success of the Garden City Cosmopolitan Lions Club collaboration, the Board granted EGP 7.5 million to create a fully equipped open-heart surgery suite for children at Mabara El Maadi Hospital. It will cater to children who have congenital heart defects and those who suffer from heart complications. This project is expected to serve approximately 720 children each year.

The Board also approved EGP 3.95 million to outfit a Pediatric Intensive Care Unit in Mabara El Maadi Hospital in collaboration with Lions Club Garden City. The Club financed the construction and fishing works of the unit and the Foundation will outfit the unit with the latest medical equipment.

### 4. Touch of Hope

CIB Foundation contributed EGP 4.1 million to the development of a sophisticated pediatric cardiac surgery room equipped with a capsule system, expanding on the previous successful collaboration between the Foundation and Sporting Students Hospital. Each year, the hospital anticipates operating on 288 children in this operating room while maintaining the highest levels of sanitation and hygiene. The capsule operating room will enable the hospital to perform minimally invasive and highly advanced surgeries with pinpoint accuracy in conformity with international standards. This project will contribute to a reduction in the number of children on pediatric heart surgery waiting lists.

### 5. Gift of Life

Following the success of the collaboration between CIB Foundation, the Rotary Club of Giza Metropolitan, and El Kasr El Eini Hospital, CIB Foundation allocated EGP 4.5 million to fund the third round of 100 open-heart surgeries to be performed at El Kasr El Eini Hospital, in order to reduce the number of children on waiting lists and alleviate some of the hospital's financial burden.



## Dental & Oral

### 6. Little Smiles

CIB Foundation donated EGP 3.35 million to Beni Suef University's Faculty of Dentistry for the establishment of a general anesthesia unit. In the dental field, it is difficult to operate using only local anesthesia on children and toddlers; it is even harder when the patients are of special needs. Therefore, this necessitates that pediatric dentistry clinics have a general anesthesia unit. The project is expected to serve 1,000 children annually.

### 7. Golden Smile

The Foundation provided EGP 1.8 million to Suez Canal University Hospital for the purchase of a fully equipped mobile dentistry clinic. The clinic will be able to reach children in orphanages and children with special needs who live in impoverished areas, and serve 600 children annually.

### 8. Stronger Teeth...Better Health

CIB Foundation allocated EGP 90,000 to cover the running costs of Cairo University's maxillofacial unit. The unit treats children all around the country and is one of the few centers that offer specialized operations. Prior to the establishment of the facility, children were treated alongside adults in the general prosthodontics department.

### 9. Super Smile

CIB Foundation donated EGP 1.25 million to sponsor 50 cleft lip and cleft palate surgeries at Ain Shams University Hospital. During their medical convoys, Rotary District 2451 found that this congenital/birth condition is prevalent in Upper Egypt, preventing children from leading normal lives.



## Oncology

### 10. 57357 Fighters

Maintaining the long-standing partnership between 57357 and CIB Foundation, and to cover the increases in treatment costs, CIB Foundation allocated an EGP 30 million fund to be used in supporting the hospital's annual diagnostic and treatment costs, such as medical tests, examinations, chemotherapy, radiotherapy, and immunotherapy. 7,000 children were served by this fund.

The Foundation also provided EGP 4 million to fund critical activities for the hospital's Cairo and Tanta branches, such as pathology, blood banks, radiology laboratories, medication, radiotherapy, nuclear medicine, and supplies. EGP 30 million was also allocated to establish the hospital's Digital Pathology Lab.

### 11. A Journey of Healing

In April 2020, the Foundation's Board allocated EGP 11.77 million to outfit the pediatric section at Luxor's Shifaa Al-Orman Hospital. Since Upper Egypt has very few specialized institutions for treating children with cancer, the new section allows children to receive the necessary chemotherapy and radiotherapy without having to travel significant distances. Traveling not only poses a significant health risk to the patient, but also imposes a significant financial strain on their family. The pediatric department is intended to treat around 900 children each year.



## Liver and Kidney Care

### 12. Kidney Care and Cure

The Foundation's Board approved an EGP 16 million budget to expand and outfit Sohag University Hospital's pediatric dialysis program. As the hospital's largest section serving children with renal problems in Upper Egypt, there was an urgent need for it to expand. The new dialysis unit includes an intensive care unit, a plasma separation room, 16 new dialysis machines, and a central delivery system to reduce infection rates. Each year, it is intended to serve around 5,000 children.

### 13. Children Without Virus C Program

The Foundation contributed over EGP 5.1 million to the Children Without Hepatitis C program in partnership with the Egyptian Liver Care Society. Medication, blood tests, x-rays, medical personnel training (doctors and nurses), and awareness workshops for affected children and their families are all covered by the fund.

## Intensive & Intermediate Care

### 14. For a Better Childhood

The Foundation's Board approved an EGP 1.91 million budget to finance half of the annual operating costs of Benha University Hospital's pediatric and neonatal ICU departments, which were outfitted with funds from CIB Foundation. Each year, the two units serve over 3.5 thousand children in the Qalyubia region.

### 15. Their Care...Our Responsibility

As part of the Foundation's longstanding partnership with the Yahia Arafa Children's Charity Foundation, the Board of Trustees allocated EGP 6 million to fund the annual operating costs of five pediatric units at Ain Shams University Hospital. The units are a congenital heart defect unit, a pediatric heart surgery unit, a neonatal unit at the women's obstetrics hospital, a pediatric surgery unit at the children's hospital, and a newborn unit at the children's hospital. Furthermore, the Board allocated EGP 3 million to retrofit the units' depreciated medical equipment.

### 16. Superstars are Born from Scars

The Foundation's Board approved EGP 32.78 million to fund its third collaboration with the Ahl Masr Foundation, to outfit the pediatric ward at Ahl Masr Trauma and Burn Hospital. The initiative is in response to a critical shortage of medical care for burn patients in Egypt. It is anticipated to serve around 3,500 children annually.

### 17. New Children's Hospital in Alexandria

CIB Foundation approved EGP 60 million to expand and outfit Alexandria's New Children's Hospital. During the first phase, the hospital is projected to treat around 1,200 children per year, increasing to its full capacity of 3,600 children after two years. The funds were used to buy medical equipment and furniture, as well as to finance medical finishing and electro-mechanical work. The project will have a direct impact on reducing child mortality in the Greater Alexandria region and its adjacent governorates.



## Ophthalmology

### 18. Children's Right to Sight Program

In collaboration with the Rotary Club of Kasr El Nile, the CIB Foundation donated EGP 1 million to cover 176 procedures as part of the Children's Right to Sight (CRTS) program to help eradicate the causes of blindness in children and babies.

### 19. A Vision to the Future

The Foundation's Board approved an EGP 4.63 million budget to outfit the pediatric ophthalmic clinic at Alexandria University Hospital, which is regarded as a center of excellence serving poor families in the Alexandria and Delta regions. Every year, 8,750 children are expected to benefit from this initiative.

### 20. For Better Eyesight

The CIB Foundation's Board approved EGP 3.07 million to help fund the establishment of a dedicated pediatric eye facility at the Memorial Institute for Ophthalmic Research in Giza. The money will be used to furnish outpatient clinics. The initiative contributes to eradicate the causes of blindness in newborns and infants that are prevalent in Egyptian society. Furthermore, the outpatient clinics in the Pediatric Eyes Center allow the Institute to provide specific services designed for children, as they are currently diagnosed and treated alongside adults. The specialist institution will be able to serve more children from Giza's outskirts, Upper Egypt, and the Delta region. This program is anticipated to help 12 thousand children per year.



## People with Disabilities

### 21. Our Differences...Our Strengths

In accordance with the Foundation's commitment to supporting children with disabilities, CIB Foundation allocated EGP 1 million to the National Foundation for Family and Community Development to outfit the sensory, psychomotor, and occupational therapy rooms in the Asmarat Center to strengthen the sensory and motor abilities of challenged children, particularly those with autism, with the goal of serving 250 children each year.

Furthermore, the CIB Foundation allocated EGP 6.87 million to create clinics and rehabilitation centers for cerebral palsy, audio, and mental measuring in five rehabilitation centers in Cairo, Giza, and Helwan under the auspices of The National Foundation for Family and Community Development. This project is anticipated to serve around 1,000 children per year.

### 22. We Can Live Together

The Foundation allocated EGP 1.23 million to fund the project in partnership with the True Light Society Association, which strives to integrate children with visual disabilities into society. The project seeks to aid visually impaired children in their general living needs on a cultural and athletic level, and integrate them into the public schooling system. The Foundation provides Braille typewriters and books, as well as visual aids, school materials, and other items. Children and their parents can also benefit from training programs. This project will benefit 470 visually impaired children.



### 23. For a Better Life

Building on its long-standing relationship with the MOVE Foundation, the Board allocated EGP 1.39 million to pay 50% of the Foundation's yearly operating costs. The operating costs will allow MOVE Foundation to give free services to 100 deserving children. Staff pay, maintenance work, children's transportation, stationery expenditures, and utility bills are all included in the annual operating costs.

### 24. Kids on Wheels

In line with the Foundation's commitment to supporting children with special needs, the Board allocated EGP 4 million in April 2019 to provide 100 children with wheelchairs, in cooperation with the Al-Hassan Foundation for Differently Able Inclusion. These wheelchairs, designed for permanent users, are tailor made in Germany based on each child's needs. Each wheelchair can serve the child for five years, after which the Foundation may redistribute to other children or make use of the chairs as spare parts. The project was completed in 2021, and a total of EGP 1 million was disbursed.

### 25. A Step for Life

In January 2021, the Foundation's Board approved EGP 12.8 million to establish a specialized center for psychological, physiological, and social rehabilitation of children with disabilities at Beni Suef University in order to integrate them into society in collaboration with the Awad Charity Foundation. The center will be outfitted with a pediatric rehabilitation unit, a psychomotor room, and electromyography and ENT units, with a capacity of 20,000 children per year.



## Radiology & Diagnostics

### 26. Healing Hands

The Foundation provided EGP 11.6 million to Cairo University Hospital to purchase a cutting-edge CT Scanner (128-slices) to detect congenital malformations and malignancies in the neurological, motor, digestive, urinary, and reproductive systems, as well as inspections of heart arteries. Each year, the device is planned to do scans on 6,000 children.

CIB Foundation also allocated EGP 290,000 to acquire an ECG stress test device for Cairo University Hospital. The device will allow the medical team to better analyze patients' conditions and devise suitable treatment plans, allowing them to better diagnose and treat children with birth defects, valve problems, cardiomyopathy, and pulmonary artery hypertension. It will serve 1,500 children every year.

### 27. A Journey of Hope

In collaboration with the Nile of Hope Foundation, and with the goal of establishing a center of excellence in the greater Alexandria region to treat children with congenital defects, CIB Foundation helped establish a pediatric radiology department in the hospital by purchasing a Closed MRI Machine (1.5T) for a total of EGP 20.30 million. The MRI will aid in the detection and examination of children with congenital abnormalities, which are structural or functional defects present at birth that can result in physical or mental difficulties. This program is planned to scan around 4,000 children every year.





## Surgeries

### 28. Establishing a Cochlear Implant Unit

CIB Foundation has allocated EGP 5 million to create a cochlear implant unit at the Faculty of Medicine - Al-Azhar University in Assiut, as the number of patients requiring this type of surgery is growing. In some circumstances, hearing aids produce no effects for children with hearing impairment, and the only way to avoid hearing loss is to undergo cochlear implant surgery. This unit will serve 500 children a year.

### 29. The Dream of the South

The CIB Foundation allocated a total budget of EGP 9.2 million to fund equipping the pediatric neurosurgery department at Aswan University Hospital, with the goal of establishing a center of excellence in Upper Egypt by establishing inpatient care, an intermediate care unit, and an intensive care unit, which will serve 800 children annually.

### 30. The Right to Live Upright

CIB Foundation will fund the establishment of a specialized clinic for treating children with spine disorders and abnormalities in partnership with Assiut University Hospital. The Foundation committed EGP 4.48 million to purchase surgical equipment to ensure the best quality and precision in difficult and minimally invasive surgical procedures. This unit will allow the hospital to serve 104 children every year.

### 31. Our Children's Health is Priceless

The Board approved EGP 14.75 million for the establishment of a pediatric surgery section at South Valley University Hospital, which serves various governorates in Upper Egypt and the Red Sea. The unit will be outfitted with cutting-edge technology, and include a surgical theater, an eight-bed pediatric ward, an intensive care unit (ICU), and a diagnostic unit. The hospital, one of the few in the region, will endeavor to reduce the risk of travel for critically ill patients and expand the Emergency and Accidents Department's ability to operate on 600 children instead of 150 each year.

## General Pediatrics

### 32. Our Kids Our Future

The Board approved the allocation of EGP 7.69 million to fund a project in collaboration with the Ibrahim A. Badran Foundation. 48 convoys will be held in impoverished regions of Beni Suef, led by a team of qualified doctors, to examine and treats children in schools and health clinics in the area. The project's goal is to reach 65,000 children.

### 33. Our Children's Health – "L'Misr" Initiative

Under the umbrella of the presidential initiative Hayah Karima, supporting Egyptian children's physical and mental health, this initiative aims to raise the level of knowledge and awareness to enable Egyptian children to become well-capable citizens in the future. CIB Foundation allocated EGP 10.91 million to fund the operating costs of medical convoys that will reach poverty-stricken areas in Al-Waqf, Qena governorate, in 27 elementary schools and 15 middle schools. The convoys will provide comprehensive medical services in many fields, such as ophthalmology, general pediatrics, anemia and stunting, diabetes, and others. The convoys will also provide the necessary medications, tests, and surgeries if needed.

### 34. Healthy Children

In collaboration with the Raie Misr Foundation, the Board allocated EGP 3.38 million to launch two mobile clinics that would provide full medical services to children in rural parts of Upper Egypt, including pediatrics, ophthalmology, and internal medicine. The clinics will provide exams, referrals to specialists, and medication. They are expected to serve around 96,000 children each year.



## Others

### 35. A Warmer Winter

Building on the successful and ongoing collaboration between CIB Foundation and Egyptian Clothing Bank, the Board approved a budget of EGP 12.6 million to fund the eighth round of collaboration, which aims to provide warm clothing to children throughout all 27 governorates during the winter months. 70,000 winter training suits and 70,000 pairs of shoes will be funded and manufactured for distribution to children in underserved communities around the country.

### 36. Going Miles for their Smiles

As part of CIB Foundation's commitment to helping children in need, the Board donated EGP 1.85 million to fund FACE for Children in Need's yearly operational costs to cover a portion of the medical treatments and care provided to orphans in Maadi Home Center, which houses 50 children.

### 37. A Bridge of Knowledge

In collaboration with Great Ormond Street Hospital for Children (GOSH) in London, the Foundation will sponsor a five-year education and training program for 150 Ain Shams clinical team members (including doctors, nurses, and technicians). This move comes after the hospital's facilities and equipment were upgraded to meet international standards. Ain Shams

University Children's Hospital is expected to double its capacity and serve an additional 67,000 children each year as a result of the program, while improving its overall level of care. GOSH is a worldwide pediatric care center of excellence, widely recognized as one of the few world-class hospitals for children with rare, complex, or multiple diseases.

### 38. Yasmin El Samra Foundation

Epidermolysis Bullosa (EB) is a genetic rare skin condition characterized by a lack of VII collagen, which connects the skin layers. This disorder makes the skin brittle and creates blisters. The actual prevalence of (EB) is estimated to be one in every 40,000 individuals. In this context, the CIB Foundation has set aside EGP 1 million to aid in the treatment of EB patients.

### 39. Heal a Child...Change the World

CIB Foundation provided EGP 2.17 million to cover the annual operational costs of two residence facility shelters (October and Imbaba) operated and managed by Abnaa Al Ghad Foundation - Banati. The two shelters will serve around 200 children a year and provide protection and support for children at risk, including children who spend the majority of their time on the streets and those who are deprived of family care.





## Fostering Sports Development

### Sponsoring Egyptian Athletes

In support of young players topping the world's squash rankings, and as part of the Bank's commitment to sports development, CIB has tailored sponsorships to enable fourteen talented Egyptian players to maintain their rankings and continue representing the country around the world.

	2021		Growth rate y-o-y (Compared to 2020)	
	Number of projects	Total investments in EGP	Number of new projects	Total investments in EGP
<b>Health</b>				
<b>Sports</b>	5	47,662,536	6	39,200,000
<b>Community</b>	3	7,355,640	4	3,120,140

## Community Empowerment

CIB has a high level of responsibility to the community it serves. Its programs in fine arts, music, social care, and sports have a long-term beneficial impact on the lives of community members by encouraging active involvement in society and cultivating the talent of the youth.

### Beena

Beena is a protocol between CIB and the Ministry of Social Solidarity to promote active youth participation in the community and track the progress of social care services. For six consecutive years, the Bank has been Beena's primary partner and financial supporter. This project successfully drew hundreds of young Egyptians to volunteer with orphans, senior citizens, and people with special needs around Egypt.



### KidZania

Since the beginning of their collaboration in 2013, CIB has organized multiple annual excursions to KidZania for impoverished and special needs children, as well as children with medical concerns. The tours offered youngsters with an enjoyable environment in which to learn about various financial procedures such as debit cards, issuing cheques, and depositing and withdrawing money using KidZania's own currency, Kidzos.

### Autism International Day/ADVANCE

CIB supports the Egyptian ADVANCE Society for Persons with Autism and Other Disabilities to empower children with autism and offer healthy forms of social inclusion and integration.

## Culture Reservation

### Natural and Cultural House of Fayoum

CIB collaborated with the United Nations Development Program (UNDP), the Egyptian Italian Environmental Project (EIEP), and the Ministry of Environment to open Egypt's first open Natural and Cultural House in Zowara Camp in Fayoum governorate's Wadi El Rayan Protectorate. Aside from its good social, environmental, and economic impact, the project allows CIB to integrate its internal environmental activities with external community investment.

The Fayoum Depression is a world-famous fossil locality on which numerous major scientific publications on geology, paleontology, and paleoenvironment have been published in

the world's top scientific journals. The Fayoum region's fossils provide the most extensive account of the early evolution of marine and terrestrial creatures.

### Every Child Deserves to Smile Initiative

Aiming to instill a culture of giving in children, the initiative encourages children to give away their unwanted toys and clothes in designated areas at shopping malls. At the conclusion of the project, CIB hosts a large celebration for underprivileged children, where each child is able to select toys and clothing. The initiative was initially piloted with donations from CIB employees, collecting over 1K items.





# Responsible Communication

CIB's internal and external communications empower its teams and clients in adhering to responsible communication principles when promoting the Bank's products, services, and practices. Through its marketing campaigns and initiatives, CIB sets its external messages to cater for the needs of each of its segments, particularly those related to financial inclusion.

Furthermore, the CIB Investor Relations team addresses investors' ESG inquiries through interactive engagements, key strategic messages, and comprehensive communication about CIB's sustainability practices and performance.

## Marketing Campaigns

### Value Proposition

CIB conducted a range of marketing and communication campaigns in 2021 to present its various consumer segments with comprehensive information on financial inclusion products and services, while providing each product with a proper introduction.

The campaigns focused on promoting financial inclusion and digital solutions targeting underserved and underbanked groups, including rural communities, women, and low-income and migrant workers.

### 2021 marketing campaigns

CBE Financial Inclusion Initiative to Celebrate Women in March

CBE Financial Inclusion Arab Day Initiative in April

Celebrating the Farmers Financial Inclusion CBE Initiative in September

Celebrating the Saving Financial Inclusion CBE Initiative

Celebrating the Persons with Disabilities Financial Inclusion CBE Initiative



## Channels

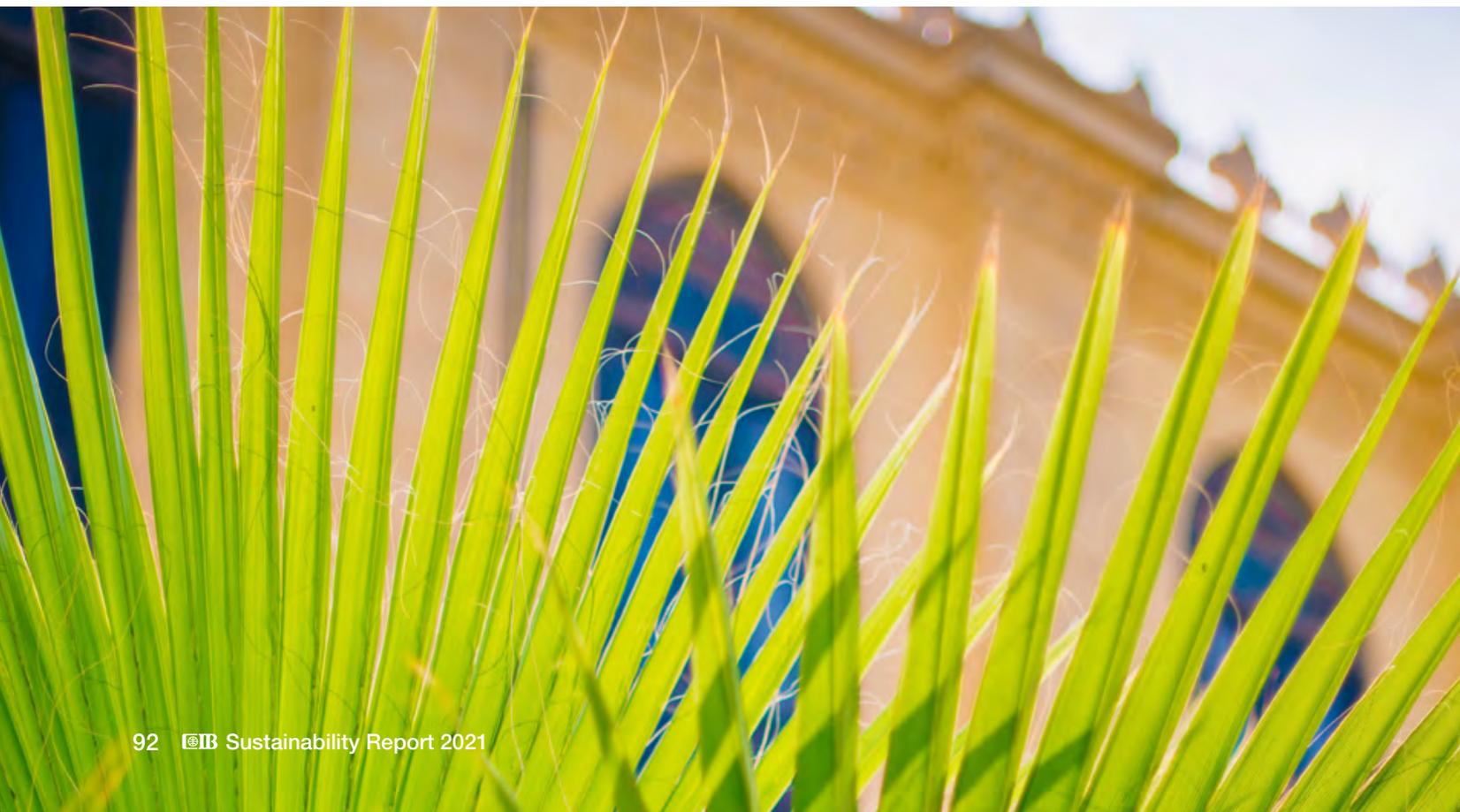
To maximize reach to all segments, CIB utilizes a number of channels through which to communicate with customers and staff.

- E-mail shots to all staff
- Staff portal communication
- Over 1K ATM screens
- Dedicated web pages on the public website
- Windows displays at 80 key branches
- Digital screens at the branches
- Social media posts and videos

## Outcome

#	Marketing Channel	Reach
1	Branches	200
2	ATMs	>1,000
3	Digital Screens in branches	4*
4	Facebook Page	>1 million
5	Instagram Account	>60,000
7	Website*	N/A

\*Outdoor screens placed over our branches (Gameet EIDewal, Shooting Club, Obour and Korba Branches).



## Internal Alignment

All CIB teams receive inductions and proper information on key messages and campaign objectives to ensure that all external communications are aligned with the Bank's objectives and targeted segments.

## Investor Relations

Through the annual CIB Sustainability Report, the Bank is able to disclose and report to the investment community its ESG performance, along with its approach and strategy to sustainable finance. As ESG becomes more embedded in investor relations programs and disclosure requirements, in 2021, the team invested more in in-house ESG expertise.

## Investors' Engagement

Channel	Frequency	Key messages
Public Website	Ongoing	It is the primary point of contact with investors and analysts, providing key information relevant to their decision making.
Annual Report	Annual	A comprehensive document that covers the Bank's business segments and activities throughout the preceding year. The importance of the annual report lies in it being a detailed source of information for shareholders, clients, and all CIB stakeholders.
Sustainability Report	Annual	A comprehensive document that covers the Bank's ESG strategy and KPIs.
IR Presentation	Quarterly	It serves as a tool to give the investment community information about CIB and the macroeconomic environment in a relatively detailed manner.
Meetings/ Conferences	As needed	Conferences are scheduled annually. In 2021 IR team was present at 14 conferences. Meetings are set based on specific investor inquiries.

## Communication with the bank's executive management

The team regularly updates senior management with analyst recommendations and market updates. The team also provides ESG insights on the latest frameworks and market activity.

## Communication with ESG Rating Institutions

CIB's strategy and performance on ESG factors is evaluated by a number of external agencies. The Bank maintains an active program of engagement with relevant ESG rating agencies, data providers, and sustainability focused indices where its performance was mostly above industry average year-on-year.

As ESG data and ratings become more integrated into investment decisions, including credit ratings, CIB maintains active engagement and open dialogues with relevant rating agencies to identify opportunities for better ESG disclosure practices.



# Governance Culture





# Governance Structure, Nomination and Selection

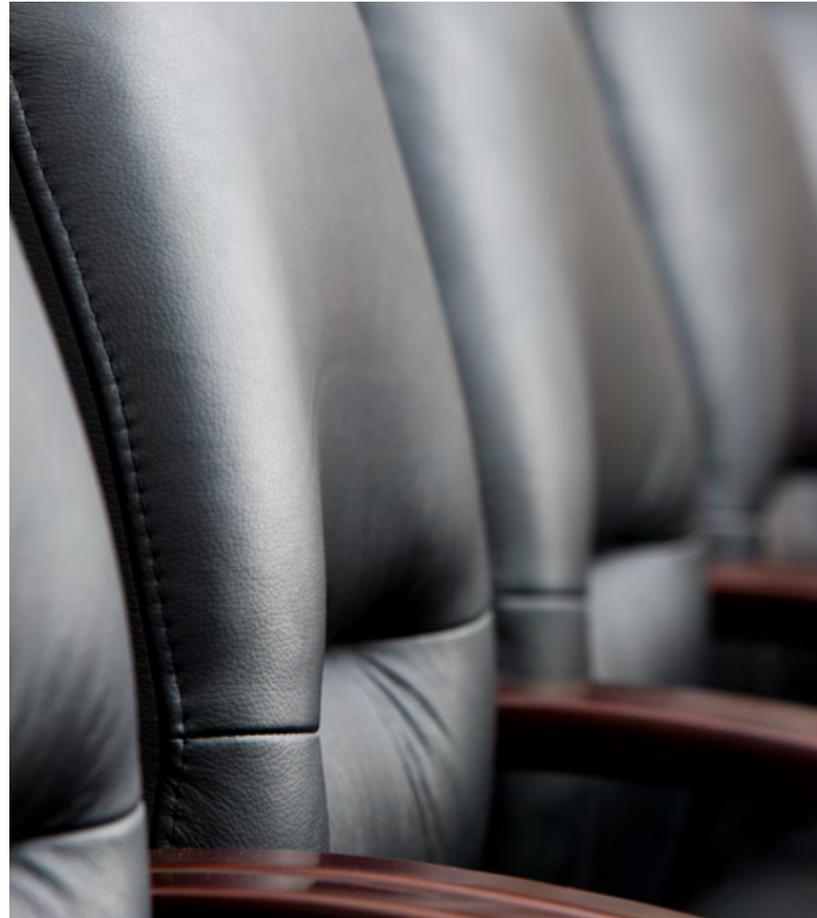
## Composition of the highest governance body and its committees

CIB's Board of Directors currently consists of eight members<sup>1</sup>, one of which is an Executive Director and seven are Independent Non-Executive Directors (NEDs). CIB's Board of Directors is committed to maintaining independence and diversity in terms of gender and nationality, where 25% of the Board Directors are females and 88% are independent Directors. The Board's structure complies with the prevailing local regulations and international best practices and allows for the position of a Lead Director. It is of note that the Bank maintains a clear separation between the position of the Non-Executive Chairman and the position of the CEO and Managing Director. Having a Non-Executive Chairman makes CIB in full compliance with FRA and CBE governance directives.

CIB's Board takes into account that the term of membership of the NED shall not exceed two terms with a maximum period of six consecutive or separate years. It may be extended for one additional term (three years), with strong justification and with the approval of the CBE.

## Board of Directors

CIB has a competent Board of Directors, which provides the Bank with the leadership, oversight and experience needed to grow the business, control risks, ensure proper governance, and deliver sustainable value to shareholders.



Serial	Board Member Name <sup>2</sup>	(Executive /non-executive/ independent)	Joining Date	Capacity	Gender
1	Mr. Sherif Samy	Independent/Non-Executive	Mar-20	Self-capacity	Male
2	Mr. Hussein Abaza	Executive	Mar-17	Self-capacity	Male
3	Dr. Amani Abou-Zeid	Independent/Non-Executive	Dec-17	Self-capacity	Female
4	Mrs. Magda Habib	Independent/Non-Executive	Dec-17	Self-capacity	Female
5	Mr. Paresh Sukthankar	Independent/Non-Executive	Oct-19	Self-capacity	Male
6	Mr. Rajeev Kakar	Independent/Non-Executive	Oct-19	Self-capacity	Male
7	Mr. Jay-Michael Baslow	Independent/Non-Executive	Oct-20	Self-capacity	Male
8	Mr. Tarek Rouchdy	Independent/Non-Executive	Mar-21	Self-capacity	Male

<sup>1,2</sup> Board Committees' Composition and Number of Board of Directors as of December 2021

## Board Committees<sup>3</sup>

Backed by an experienced executive management team, CIB's highly qualified Board of Directors is also supported by specialized board committees. Committees are chaired by the NEDs, who brief the Board on major points raised by their respective committee. Such briefings enable the members of the Board of Directors to carry out their duties in an effective

manner. CIB's Board of Directors has six standing committees that assist in fulfilling its responsibilities. Each committee operates under a written charter that sets out its responsibilities and composition requirements, reporting to the Board on a regular basis. Separate committees may be set up by the Board of Directors to consider specific issues when the need arises.

Serial	Non-Executive Committee <sup>4</sup>	Chairperson	Board Members
1	The Board Audit Committee	Mr. Tarek Rouchdy	Mrs. Magda Habib Mr. Paresh Sukthankar
2	The Board Risk Committee	Mr. Jay-Michael Baslow	Dr. Amani Abou-Zeid Mr. Paresh Sukthankar
3	The Board Compensation Committee	Mr. Rajeev Kakar	Mrs. Magda Habib Mr. Jay-Michael Baslow
4	The Board Governance and Nomination Committee	Dr. Amani Abou-Zeid	Mr. Rajeev Kakar Mr. Paresh Sukthankar
5	The Board Operations and Technology Committee	Mr. Rajeev Kakar	Mrs. Magda Habib Mr. Tarek Rouchdy
6	The Board Sustainability Committee	Mr. Jay-Michael Baslow	Dr. Amani Abou-Zeid Mr. Tarek Rouchdy

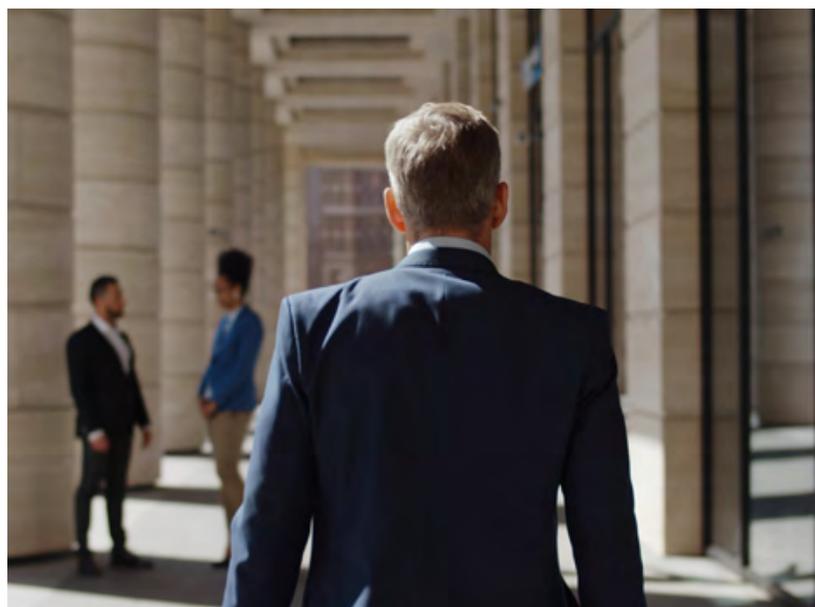
## Changes to the Board of Directors During 2021

On the 8<sup>th</sup> of March 2021, Mr. Tarek Rouchdy joined CIB's Board of Directors as independent NED, as approved by the CBE. Mr. Rouchdy brings a wealth of knowledge and experience in internal audit, controls, and risk management. He currently manages his consulting firm and is Commissioner of the UK's Independent Commission for Aid Impact.

On the 24<sup>th</sup> of June 2021, and pursuant the approval of the CBE, Mr. Hussein Abaza was entitled to serve as the Bank's Managing Director, in addition to his role as CEO.

## Chair of the highest governance body

CIB's Board of Directors is chaired by Mr. Sherif Samy, Non-executive Chairperson, an experienced senior executive and advisor in financial markets and services, investment management, and corporate governance.



<sup>3,4</sup> Board Committees' Composition and Number of Board of Directors as of December 2021



# Nominating and Selecting the Highest Governance Body

The Governance and Nomination Committee sets the criteria for selecting new directors and assists the Board in identifying suitable individuals for nominations as non-shareholder representative board members. The committee's duties extend to Board succession planning, including the Bank's CEO.

The strength of CIB's Board is a reflection of its Directors' experiences, diversity, differing perspectives, and institutional knowledge. Seven of the Bank's eight Board Members are Independent Non-Executive Directors, and two of the members are female.

The Governance and Nomination Committee's key responsibilities entail, without limitation:

- Establishing the standards, criteria, and processes of the selection of individuals to serve on the Board;
- Annually reviewing with the Board its composition as a whole, including whether the Board reflects the appropriate balance of independence, sound judgment, business specification, technical skills, and other desired qualities;

- Working with the Board for an orderly succession of leadership within the Board and key executive positions within the Bank, and maintaining contingency plans for succession in case of any exigencies;
- Defining the responsibilities of executive, non-executive, and independent members of the Board;
- Considering nominees for the Board who are recommended by shareholders and meet the eligibility requirements.

Furthermore, The General Assembly provides a platform for shareholders to engage with the Board of Directors and exercise their voting rights, as shareholder consent is required for the appointment, suspension, or dismissal of the members of the Board.





# Conflicts of interest

The Bank is committed to maintaining the highest level of probity and behavior amongst its workforce, and keen to mitigate any actual, potential, or perceived conflicts of interest in its operations, organizational structure, reporting lines, and internal/external transactions.

## Conflict of Interest Policy

CIB has a Conflict-of-Interest Policy in place that demonstrates the Bank's commitment to maintaining the highest level of probity and integrity amongst its workforce. It helps ensure the Bank has a process in place when actual or potential conflicts of interest arise between the Bank and its employees' personal, professional, or business interests. The policy outlines procedures and provides guidance on how to identify, disclose, manage, and mitigate conflicts of interest within the Bank's operations, organizational structure, reporting lines, and transactions. It aims to protect the Bank's interest and decision-making process by preserving the integrity and reputation of the Bank, its employees, and the Board of Directors.



The Board ensures that senior management implements policies to identify, prevent or manage, and disclose potential conflicts of interest that may arise as a result of the various activities and roles of the Bank, as well as those which may arise as a result of its affiliations or transactions with other affiliates.

## Disclosure of Conflicts of Interest to Stakeholders

Any transaction carried out with a third party (outsourced transactions) should follow all the required due diligence, from ensuring that no conflict of interest exists to ensuring that all regulatory requirements are in place. Moreover, during the third-party life cycle, if a conflict of interest arises, and as deemed necessary, feedback should be provided by the Head of Corporate Governance.

External staff activities are certain activities undertaken by staff outside their role at the Bank, whether or not compensated, that may create a potential conflict of interest. These are generally positions in external organizations such as, but not limited to, partnerships, board memberships, external/other employment, appointments to public offices, teaching, coaching, residential board, or sports clubs board memberships.

The Bank should enjoy the full contribution, time, and energy of its staff. Hence, staff are not allowed to undertake any other work in addition to their job at the Bank, whether by themselves or through another party, unless prior approval is obtained.



# Role of the Board in Setting Purpose, Values, and Strategy

The Board of Directors is the ultimate decision-making body of the Bank and has the broadest powers to manage its operations. All directors must act in what they reasonably believe to be in the best interest of the Bank and its stakeholders through:

- Setting the Bank's values and standards to ensure that the Bank's obligations to its stakeholders and society are understood and met.
- Determining the overall strategy and objectives of the Bank, that are appropriate to the size and complexity of its operations, while monitoring the implementation of said strategy and objectives and ensuring all employees are aware of it.
- Defining the Bank's CSR and sustainability frameworks, overseeing their implementation, and evaluating their related practices and initiatives.





# Evaluating the Highest Governance Body's Performance

The Board and its Directors annually survey the effectiveness and contribution of the Board and its committees. The evaluation of Board members and/or a Board committee is undertaken in accordance with their respective charters. Furthermore, the Board undertakes an annual self-assessment of individual members to ensure effective contribution. It is the Lead Director's responsibility to review the results of these assessments and share with the Board common remarks and recommendations, if any.





# Delegating Authority

The Board of Directors may, by resolution, partly discharge its responsibilities and partly delegate its authority to the Bank's Executive Management or the existing committees of the Board.

## Identifying and Managing Economic, Environmental, and Social Impacts

The Board Sustainability Committee provides the Bank with strategic guidance on ESG matters and oversees effective

integration of ESG practices within the Bank's business and operations while ensuring alignment with global and regional frameworks. In acknowledging and identifying that all businesses have the potential to affect people and the planet in both positive and negative ways, CIB's focus is to ensure that its products and services are intended to minimize the Bank's long-term negative impacts and create sustainable value for all of its stakeholders.

### Key Responsibilities of the Board Sustainability Committee

1. Ensuring that adequate and effective control processes are in place and that risks and opportunities relating to sustainability and responsibility are well identified and managed by management
2. Ensuring that the Board receives reports from executive management at least semi-annually on the Bank's performance and the progress made with regard to responsible banking practices and sustainability
3. Overseeing the implementation of the Sustainable Finance Policy and Strategy through quarterly reports from the Bank's Sustainable Finance team



# Compliance

## Compliance Culture and the Modernization of the Compliance Risk Framework

CIB's Independent Compliance Group drives bank-wide compliance by establishing the strategy, framework, and tone required to ensure full adherence to applicable laws and regulatory requirements.

In 2020, the Bank embarked on a transformational path to further support an ongoing journey toward excellence in managing compliance risk. Since then, it has taken strides in transforming this foundation, with focused efforts on the modernization of its compliance risk framework in 2021. In parallel, it continued to enhance synergies with partners across different lines of defense. CIB's compliance program emphasizes a commitment to sound sustainability practices, as ESG continues to play a more pivotal role among its processes and indicators.

Throughout this section of the report, the Bank shares main ESG disclosures that are critical to its commitments in the area of ESG compliance.

## Reporting on Anti-Bribery and Corruption

The Compliance Group is involved in reports related to bribery, corruption, and misconduct, as received through CIB's whistleblowing or anti-bribery and corruption channels. These reports are handled independently and confidentially as per the stipulations of the related policies.

## Compliance with Policies, Procedures, Plans, Rules, Regulations, and Laws

As part of the second line of defense, the Compliance Group has an oversight role, which entails conducting adequate check and challenge on the first line of defense to ensure bank-wide compliance with laws, regulations, and compliance policies and procedures. The Group also acts as an advisor and consultant to the various lines of business to ensure that the Bank operates in compliance with relevant laws, regulations, and compliance mandates.

## Reliability and Integrity of Information

CIB is committed to providing complete and accurate information to regulators. Maintaining transparency when delivering on commitments is critical to the Bank's regulatory obligations, and ensures effective management of regulatory risks.

CIB communicates with various regulatory authorities across the jurisdictions in which it operates in a prompt, transparent, and coordinated manner using the appropriate tone and content. The Compliance Group ensures proper coordination with different stakeholders to confirm the reliability and integrity of the information provided by the Bank.

## Compliance with Laws and Regulations

Three fines were imposed on the Bank by the FRA in 2021:

- An EGP 32,000 fine for delays in issuing the Bank's financial statements in 3Q2020.
- Two fines of EGP 158,000 each for the suspension of trading on the "Osoul" and "Thabat" funds without notifying the FRA.

None of the above are related to a lack of compliance with laws or regulation, but with procedural requirements by the FRA.





# Mechanism of Worker Complaints

The Compliance Group manages and reports complaints that are related to misconduct and instances of suspected bribery and corruption as defined in relevant policies. Employees are informed of the available reporting channels, their rights, and protection provided for them in case they blow the whistle or submit reports. Reports can be made confidentially and/or anonymously using CIB's different whistleblowing channels, completely protecting the whistleblower's identity and rights.

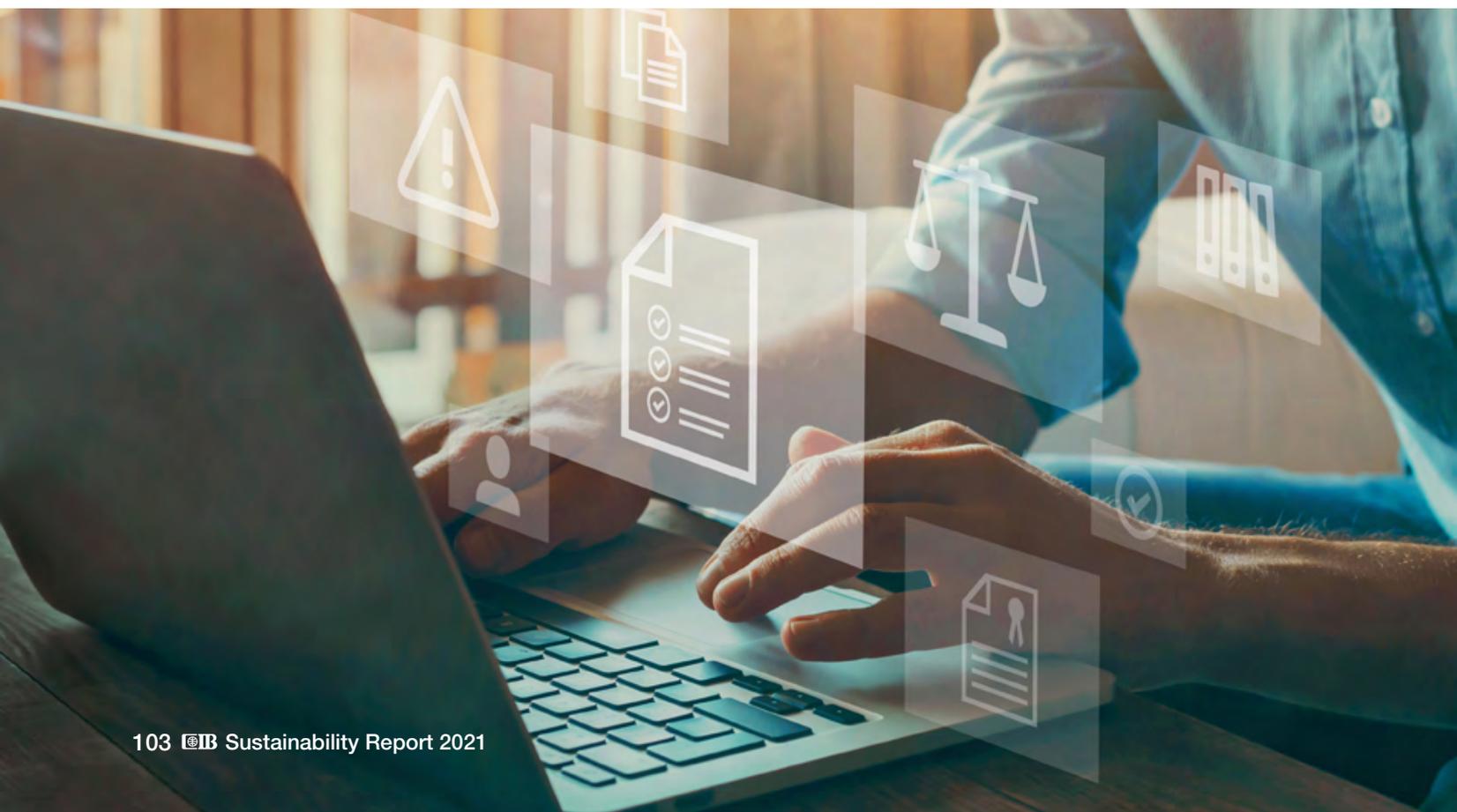
CIB has also established a Staff Issues Committee to handle staff complaints that are relevant to the code of conduct and performance disagreements. If any element of discrimination is detected, the case is referred to the Bank's Legal Department for investigation.

Employees are asked to use proper escalation channels to the relevant Group Head before referring the case to the committee. The Employee Relations team then investigates the issue with the involved employee(s), and provides a case summary and required documentation to the committee's members before the meeting. The Committee meets with the parties in conflict to discuss the issue and provides final feedback and action to be taken, ensuring that it is adequately implemented.

CIB's Legal Department proceeds with an internal investigation after receiving case referrals from the concerned department, and the sanctions list is applied as per the severity of the incident. The department also checks whether the incident needs to be reported to any external authorities.

The Internal Audit team evaluates the adequacy and effectiveness of the workers' complaints framework in the Bank by:

- Ensuring the existence of adequate policies covering the complaint mechanisms
- Ensuring the existence of adequate and effective complaint channels
- Ensuring that staff are provided with sufficient training to raise their awareness of the reporting channels, their rights, and their protection after filing a complaint
- When applicable, giving recommendations to promote complaint mechanisms in line with best practices



## Employee Complaints

In 2021, the Compliance team received six whistleblowing reports concerning staff issues. Cases were investigated in close coordination with the Human Resources Department and other stakeholders. None of the received complaints involved confirmed instances of corruption or bribery. However, two of the received complaints were evaluated as substantiated with possible misconduct and, as such, were reported to Human Resources for further action.

Instances of corruption are reportable under the Anti-Bribery and Corruption Policy, and they are investigated independently by the ABC Manager, Head of Financial Crime, or Chief Compliance Officer. All employees, customers, partners, or third parties are required to immediately report any behavior in breach of anti-bribery and corruption laws and regulations, breach of principles of the policy, or possible suspicions related to bribery.

There were two instances of potential bribery raised during 2021, both of which were investigated by the Head of Financial Crime and were concluded as "Not Substantiated".

Once a CIB staff member has reasonable grounds to suspect reportable conduct, they may use any of the following tools to report the issue:



Contact the Chief Compliance Officer or Head of Financial Crime



Contact the ABC Manager for bribery and corruption instances



Dial the CIB whistleblowing hotline



Send an email to [CIB.whistleblowing@cibeg.com](mailto:CIB.whistleblowing@cibeg.com)



# Anti-Money Laundering (AML)

## Financial Crime Combatting

CIB's Financial Crime Combatting department is dedicated to taking all required measures to combat money laundering and terrorism financing, and adhering to sanction requirements. The department has the necessary authority to safeguard CIB against financial crime risks.

### Key responsibilities:

- Ensuring all Bank departments and operations are subject adequate controls, with ongoing assessments of adherence to standards and monitoring suspicious activities and transactions.
- Ensuring Bank products and services are not misused to facilitate money laundering, terrorism financing, or any other form of financial crime. This is achieved through the implementation and regular update of anti-money laundering and terrorist financing combating policies and procedures.
- Investigating unusual or suspicious transactions in clients' accounts.
- Reporting as required suspicious transactions to the Egyptian Money Laundering Combatting Unit (EMLCU).
- Monitoring staff accounts and taking the proper action whenever deemed necessary.
- Ensuring the Bank does not deal with individuals or entities that are listed on local and international sanctions lists.
- Overseeing the Customer Due Diligence Program and related procedures, as well as the progress of the customer data update (KYC update) at a bank-wide level.
- Reviewing and providing approvals in case of high-risk customer onboarding based on enhanced due diligence procedures.
- Reviewing new products and providing recommendations and approvals from a financial crime risk standpoint.
- Reviewing and updating policies and standard new operating procedures at the Bank in accordance with regulatory FC instructions.
- Providing training covering Financial Crime requirements as per the approved Compliance Annual Training & Awareness Plan.



## Compliance and AML Framework

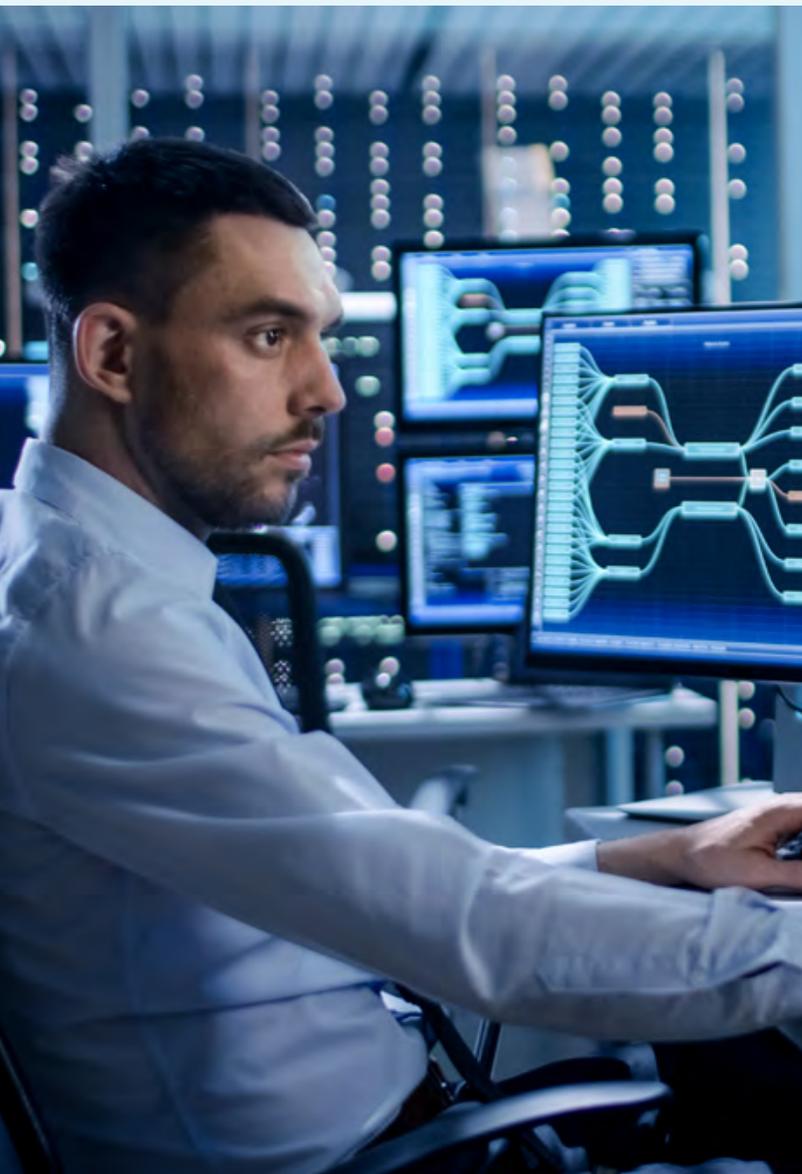
### Customer onboarding

- CIB accepts opening NTB accounts after identifying the nature of the client's business, their nationality, the real beneficial owner of the account, and the source of funds with supporting documents. Clients are classified according to their risk levels as high, medium, and low from a compliance risk perspective according to different relevant attributes. Appropriate due diligence (enhanced, standard, or simplified) is conducted in accordance with the client risk level.
- Risk classification is conducted by using an automated risk score card system that identifies the risk classification per customer based on its different attributes.
- CIB complies with FATCA requirements for US persons/entities and has registered with the IRS under (GIN #A0QRFR.00000.LE.818 ).

### Ongoing Control and Monitoring

AML, KYC, sanctions and ABC policies are updated on an annual basis or if the need arises due to changes in rules and regulations. Policies are concurred by the Board Audit Committee and approved by the Board of Directors.

- CIB has written procedures and processes in place to prevent, detect, and report any suspicious transaction to the required regulatory bodies.
- The Financial Crime program is frequently assessed through internal, external, and regulatory audits performed by the regulator (CBE).



- CIB polices prohibit establishing relationships and conducting transactions with or on behalf of shell banks or companies, anonymous accounts, and companies with a concealed ultimate beneficial owner.
- CIB polices prohibit the use of payable through accounts (PTA).
- CIB policies mandate applying enhanced due diligence (EDD) covering relationships with Political Exposed Persons (PEP), their family members, and close associates.
- CIB conducts EDD for high-risk customers by obtaining pre-fact approval from Compliance and flagging them for proper monitoring
- CIB conducts real-time screening against OFAC, UN, EU, UKHMT, and CIB internal lists, among others, at the time of on-boarding as well as transactions execution.
- CIB performs an overnight database screening for the entire customer base and monitors different types of high risk transactions as well as suspicious trends through an automated transactions monitoring system.
- Reporting of suspicious relationships and/or transactions to the Egyptian Money Laundering Combatting Unit (EMLCU) takes place in a timely manner.
- Training is another important aspect focusing on people where awareness of CIB staff is a key pillar in our financial crime combatting. As such, an annual plan is designed and executed with additional focus given to the first line of defense who deal directly with our clients.

### Detection of AML activities

#### KYC Update

Customers' KYC should be updated during the periodic reviews as per the agreed KYC update frequency and the customer identified risk level or upon any material change in the customers' information.

#### Detection

Ongoing monitoring of suspicious activities takes place through an automated transaction monitoring system that uses intuitive data-driven pre-set scenarios that aim to detect suspicious trends. Raised alerts are investigated by trained financial crime employees to determine whether there is substantiated suspicious behavior or transactions.

All CIB employees also have the responsibility of identifying and reporting any suspicious activity or transactions to the Financial Crime Combatting department, who in turn investigates these reports.

An in-depth detailed analysis is conducted on all detected or reported incidents, and any necessary documentation is obtained in order to properly investigate and assess each alert.

### Reporting Mechanism

Substantiated suspicious activities, trends, individuals, entities or transactions are duly recorded and reported electronically to the EMLCU, in full compliance with the relevant regulatory requirements.

### AML Training and Awareness Internally

All CIB employees undergo mandatory induction training on Compliance, Financial Crime and Anti-bribery and Corruption. Additionally, the Compliance team, in close coordination with the Learning and Development team plan, designs and executes an annual training and awareness plan based on a training needs analysis to raise the staff's awareness of all compliance themes across the Bank.

### Externally

The Compliance team participated the below community awareness campaigns delivered through virtual sessions:

## 2021 Compliance Training Outcomes



### E-learning

The financial crime e-learning program was delivered at a bank-wide level to all employees, covering 5,314 CIB employees and 1,112 outsourced employees. The Compliance Culture bundle addressing anti-bribery and corruption, whistleblowing and "Know Your Employee" bank-wide to 5,629 CIB employees. International Sanctions was also delivered to 5,294 employees across the Bank. Additionally, the Bank delivered specialized training on KYC for high-risk customers to 505 employees.



### Virtual instructor-led sessions

Sanctions screening virtual sessions were conducted through 24 rounds to 1,438 front line employees, addressing technical knowledge and market trends in sanctions screening. CIB also conducted overall compliance orientation through several specialized courses and certifications targeting more than 160 branch employees from different lines of business.



### Awareness campaigns

CIB conducted a number of internal awareness campaigns through the intranet and e-mail shots to all employees addressing KYC and whistleblowing.

## Non-Compliance with Laws and Regulations

No significant instances of non-compliance were identified the social and economic domains and no related fines were received during the reporting period.



### Helmik Yehemena:

A session was delivered addressing future female leaders from Upper Egypt and Port Said with the objective of raising their financial awareness, including understanding financial crime risk.



### Summer Internship Program (Financial Inclusion):

Two sessions were delivered covering undergraduate students with the objective of raising their financial awareness, including understanding financial crime risk.





# Environmental and Social Risks

## Impact Areas of CIB Activities

### Economic and Social Impacts Areas: Inclusive and Healthy Economies, Economic Convergence

They were identified as areas in which CIB has had a substantial positive effect, due to the nature of the sectors being financed, which include construction, education, and crop and animal production in Business Banking, and tourism, telecommunications, real estate, and construction in Corporate Banking.

### Environmental Impact Areas

Significant negative impact areas on the environment from the Bank's business lines have been recognized as climate, waste, and resource efficiency. This is due to the nature of the sectors being financed, which include wholesale and retail trade and agricultural and animal production in Business Banking, and crude oil extraction, equipment manufacturing, and construction in Corporate Banking, all of which pose environmental risks.

Climate change, waste management, and resource efficiency present a number of challenges and opportunities for CIB's banking business. Opportunities include financing green projects, in alignment with the UN SDGs and Egypt's Vision 2030. The key challenges are represented in offering competitive rates and terms to clients to promote participation in green initiatives and achieve sustainable growth.

## Impact Areas on CIB's Financial Performance

### Economic and Social Impact Areas: Inclusive and Healthy Economies, Economic Convergence

These have been identified to have a significant positive impact on CIB's portfolio. Egypt has made financial inclusion a high priority on its government's agenda in recent years to promote inclusive societies and economic convergence, and it is an important aspect of Egypt's Vision 2030. The country seeks to promote financial inclusion in order to boost SMEs, formalize the informal economy, promote women's empowerment, expand job opportunities, and achieve long-term growth. The government and the CBE have taken a number of steps to address the supply and demand constraints to financial inclusion in Egypt and to promote the FinTech industry. Since

the CBE declared financial inclusion a national priority, CIB has been dedicated to serving the underbanked segments of society by facilitating access to finance and financial products and services, with a special focus on women, youth, SMEs, people with disabilities, and low-income individuals.

### Environmental Impact Areas

CIB has had an Environmental and Social Risk Management System (ESRMS) in place since 2016. It is continuously utilized as a mitigation tool for the Bank's identified negative impact areas, in addition to encouraging social and environmentally friendly practices. The ESRM ensures that the Bank considers the S&E risks of its prospective financing opportunities and empowers the Bank to engage with prospective clients to manage and mitigate these identified risks.

## CIB's Environmental & Social Risk Management System (ESRMS)

CIB established a new Sustainable Finance division in 2020 as an expression of its commitment to its pledge of value creation with all its stakeholders. The division positions sustainability as a core business strategy and provides a robust platform capable of integrating sustainability into the Bank. While the division has a wide array of responsibilities across different internal functions, it is critical to install and maintain an ESRMS specialized workforce to support CIB's business profile and ambition, investor relations requirements, and multilateral development partners, as well as the interests of the community in which the Bank operates.

This step places CIB as the leading bank in sustainable finance in the Egyptian market and the region, providing its clients with the necessary tools and products to aid their transition to a more responsibly profitable economic model.

To ensure its success, it is vital to build the system in line with international best practices and ensure the availability of sufficient E&S high caliber manpower to implement it. CIB's first E&S Policy Guide and Procedures Manual was approved in 2017 by Senior Management and multilateral partner banks at the time, including the International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD).



The CIB ESRMS meets international standards and ensures efficiency and alignment with CIB's Sustainable Finance Policy and long-term sustainability goals, with the following broad objectives:

- Manage S&E risks in the overall project cycle.
- Set an example for S&E potent practice.
- Strive to conserve natural resources, protect the environment, and put into consideration the standards of living for those affected by its operations.
- Inspire and encourage socially sensitive and environmentally friendly practices among all Bank stakeholders, including partners and co-investors.
- Address the ESG component of project finance development, implementation, monitoring, and conclusion.

### The ESRMS

#### Principles of the E&S Assessment Process

- The Bank's Credit Committee is convinced that the environmental assessment and due diligence conducted during the credit appraisal period are accurate to demonstrate the nature and level of environmental risk
- From the Environmental and Social Due Diligence (ESDD)

conclusions, the Bank's Credit Committee ensure there are no major changes taking place in environmental regulations and policy in the medium term

- The client must comply with at least national environmental regulations, and if possible, with international standards
- The client's environment risk level cannot be a threat to the sustainable development of the activity
- The client's management must be at least sensitive to the impact of the environment on sustainable development and profitability. If management is seeking to develop a real environment management system and accepts its inclusion in the shareholder's agreement, the Bank's Credit Committee would deem it possible to approve the credit application
- The site and the manufacturing process are at a satisfying level of safety, securing the Credit Committee from any liability and any major developments that could change the expected return on this activity
- The health and safety of the workforce, customers, and surrounding area should be completely protected in line with national and international standards

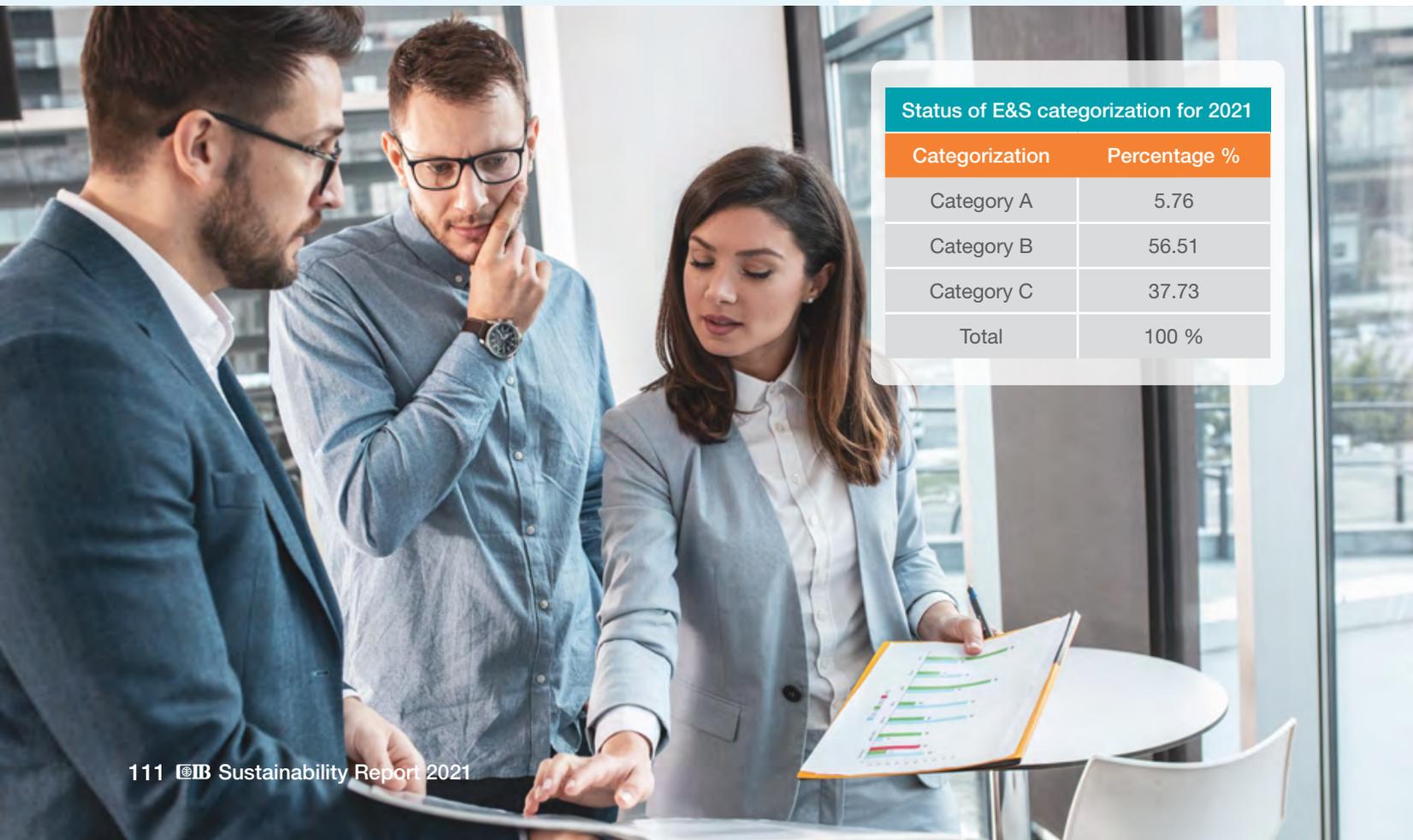


### Capacity Building Program

The Sustainable Finance team conducted an in-house training program for different departments in 2021, including Corporate, Risk, GCR, and Business Banking. The program is mainly focused on ESRM.

Trainings have also been delivered across all Bank functions by national and international consultants, on the following topics:

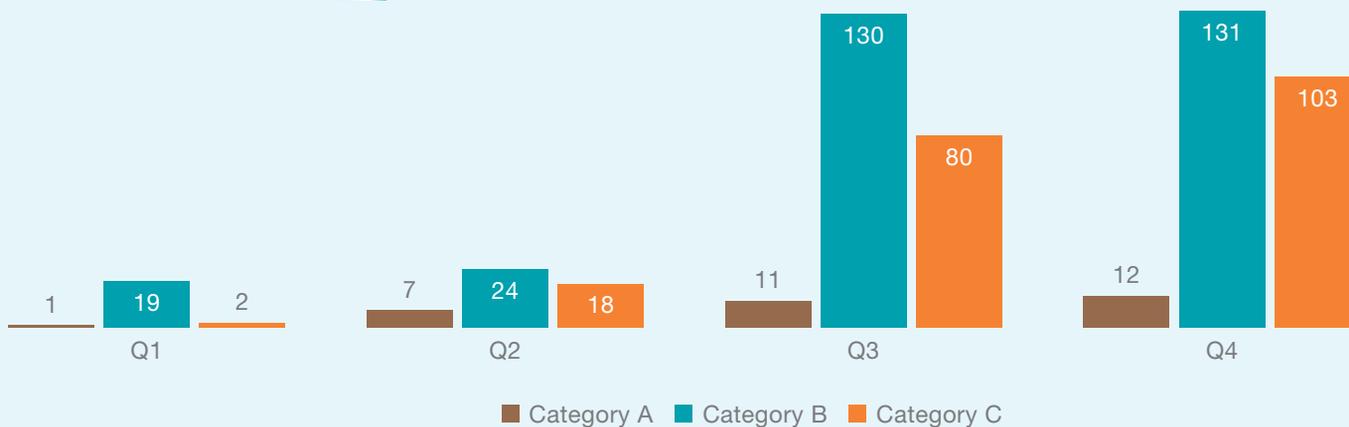
1. Sustainable Finance
2. The Business Case of Sustainable Finance
3. Sustainable Finance Principles – CIB ESRMS
4. ESG and Climate Change Risk Management (TCFD)
5. Green Finance: Product Development
6. Ecological Footprint



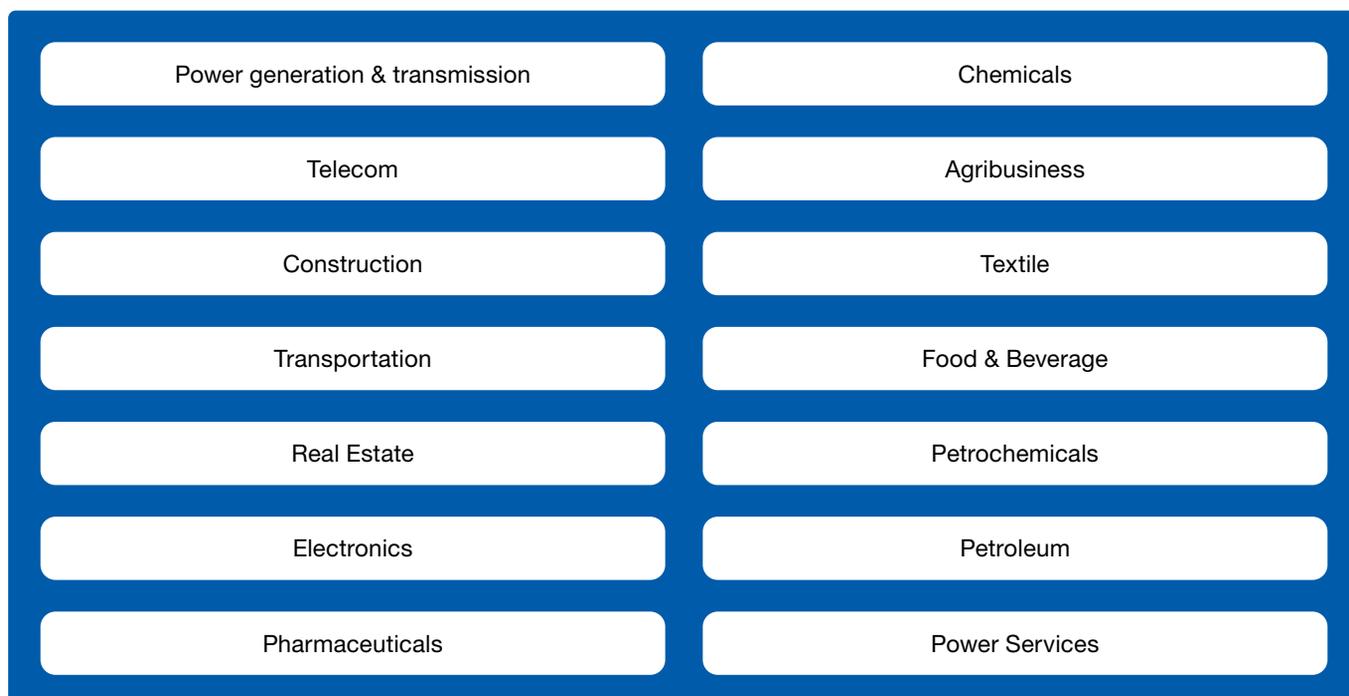
### Status of E&S categorization for 2021

Categorization	Percentage %
Category A	5.76
Category B	56.51
Category C	37.73
Total	100 %

## E&S Assessment in 2021



## Sectors Represented in CIB's Top 25 Corporate and Project Finance Transactions in 2021



## E&S Risks Represented in CIB's Top 25 Corporate and Project Finance Transactions in 2021



**Environmental**

- GHG Emissions
- Resources Consumption
- Energy Consumption
- Water Usage and Disposal
- Waste Management
- Site Contamination
- Ecosystems
- Disaster Risk



**Social**

- Employee Health and Safety
- Working Conditions



### **Environmental and Social Obligor Scorecard**

CIB continues to grow while ensuring and demonstrating a positive contribution to society by identifying and avoiding all possible negative impacts through a systemic and holistic approach. The Bank places particular focus on generating shared value, good client relations, supporting sustainable businesses, and building on transparency, accountability, and a respectable corporate governance culture. Accordingly, CIB introduced the E&S scorecard in an effort to continually measure its impact and the efficiency of its efforts.

The E&S scoring tool provides qualitative data-driven measures of environmental and social performance that

can be used to evaluate a range of financial, business-relevant, and industry-specific issues, including climate change, health and safety, and the company's activities compared to industry peers. Scores offer insights to assist the integration of ESG throughout the full lending/investment process.

### **E&S Scorecard Rating Tool**

The tool is designed to monitor and support the clients' sustainability performance and assess the borrower's compliance with national regulations and IFC performance-related principles.



# Appendices





# Appendix I: GRI Index

GRI 102: General Disclosures (Core Option)			
Disclosure /KPIs	Category of information	Page number(s) or URL references	Read On
<b>Organizational Profile</b>			
G102-1	Name of the organization	Page 2	Report Parameter/The Bank and References
G102-2	Activities, brands, products, and services	Page 34, 45, 51, 53	Corporate Banking/Consumer Banking / Business Banking & Micro Finance /Digital Banking
G102-3	Location of headquarters	Page 2	Report Parameter/CIB Head Office
G102-4	Location of operations	Egypt	Egypt
G102-5	Ownership and legal form	Page 2	Report Parameter/The Bank and References
G102-6	Markets served	Page 9	CIB at a Glance
G102-7	Scale of the organization	Page 9	CIB at a Glance
G102-8	Information on employees and other workers	Page 63	Employees
G102-9	Supply chain	Page 77	Suppliers
G102-10	Significant changes to supply chain	Page 77	Significant changes to the organization or its supply chain
G102-11	Precautionary Principle or approach	Page 109	Environmental and Social Risks
G102-12	External initiatives	Page 26, 78	Frameworks and CIB Commitment Progress/ Community
G102-13	Membership of associations	Page 26	Frameworks and CIB Commitment Progress
<b>Strategy</b>			
G102-14	Statement from senior decision-maker	Page 5	Word by Chairman/Word by CEO
G102-15	Key impacts, risks, and opportunities	Page 109	Environmental and Social Risks

Ethics and integrity			
G102-16	Values, principles, standards, and norms of behaviour	Page 99	Role of the Board in setting purpose, values, and strategy
G102-17	Mechanisms for advice and concerns about ethics	Page 103, 104	Mechanisms of Complaints of Workers/ Employee Complaints
Governance			
G102-18	Governance structure	Page 95	Governance Structure, Nomination and Selection
G102-19	Delegating authority	Page 101	Delegating authority
G102-20	Executive-level responsibility for economic, environmental, and social topics	Page 95	Governance Structure, Nomination and Selection
G102-21	Consulting stakeholders on economic, environmental, and social topics	Page 21	Commitment to our Stakeholders
G102-22	Composition of the highest governance body and its committees	Page 95	a) Composition of the highest governance body and its committees
G102-23	Chair of the highest governance body	Page 96	e) Chair of the highest governance body
G102-24	Nominating and selecting the highest governance body	Page 95	Governance Structure, Nomination and Selection
G102-25	Conflicts of interest	Page 98	Conflicts of interest
G102-26	Role of highest governance body in setting purpose, values, and strategy	Page 99	Role of the Board in setting purpose, values, and strategy
G102-30	Effectiveness of risk management processes	Page 17, 109	Sustainable Finance System and Strategy/ Environmental and Social Risks
G102-32	Highest governance body's role in sustainability reporting	Page 99	Role of the Board in setting purpose, values, and strategy
G102-37	Stakeholders' involvement in remuneration	Page 68	Employee Wellbeing
Stakeholder engagement			
G102-40	List of stakeholder groups	Page 21	CIB Materiality
G102-41	Collective bargaining agreements	Page 72	Ethical Workplace
G102-42	Identifying and selecting stakeholders	Page 21	Commitment to our Stakeholders
G102-43	Approach to stakeholder engagement	Page 21	Commitment to our Stakeholders
G102-44	Key topics and concerns raised	Page 21	CIB Materiality

## Reporting practice

G102-45	Entities included in the consolidated financial statements	–	<a href="#">2021 Annual Report</a>
G102-46	Defining report content and topic Boundaries	Page 21	CIB Materiality
G102-47	List of material topics	Page 21	CIB Materiality
G102-48	Restatements of information	–	Not Applicable
G102-49	Changes in reporting	–	Not Applicable
G102-50	Reporting period	Page 2	2020-2021/Report Parameter
G102-51	Date of most recent report	Page 2	2021/Report Parameter
G102-52	Reporting cycle	Page 2	Annually/Report Parameter
G102-53	Contact point for questions regarding the report	Page 2	For Further Information/Report Parameter
G102-54	Claims of reporting in accordance with the GRI Standards	Page 2	Referenced Reporting Guideline/Report Parameter
G102-55	GRI content index	Page 115	GRI Index
G102-56	External assurance	Page 120	External Assurance

## GRI 103: MANAGEMENT APPROACH 2016

Disclosures on the management approach

Management approach has been reported on all material topics through the relevant section covering the material topic

## Material Topics : Key Performance Indicators

### Economic KPIs

G201-2	Financial implications and other risks and opportunities due to climate change	Page 43, 109	Sustainable Finance Products/Environmental and Social Risks
G201-3	Defined benefit plan obligations and other retirement plans	Page 72	Retirement and Pension
G203-2	Indirect economic impacts	Page 56, 77	Financial inclusion/Suppliers
G204-1	Spending on local suppliers	Page 77	Proportion of spending on local suppliers

### Environmental KPIs

303-1	Interactions with water as a shared resource	Page 29	Ecological Footprint Report
303-5	Water consumption	–	Not Applicable
305-1	Direct (Scope 1) GHG emissions	–	Not Applicable
305-2	Energy indirect (Scope 2) GHG emissions	–	Not Applicable
305-3	Other indirect (Scope 3) GHG emissions	Page 42	The Way Forward – CIB's Ecological Footprint
308-1	New suppliers that were screened using environmental criteria	Page 77	Managing social and environmental risks and impacts in suppliers selection

### Social KPIs

G401-1	New employee hires and employee turnover	Page 64, 65	New Hires/Turnover
G401-2	Benefits provided to full-time employees	Page 68, 71	Employee Wellbeing/Benefits
G401-3	Parental leave	Page 72	Parental Leave
G402-1	Minimum notice periods regarding operational changes	Page 72	Retirement and Pension
G404-1	Average hours of training per year per employee	Page 74	Internal Training
G404-2	Programs for upgrading employee skills and transition assistance programs	Page 75	Internal Training
G405-1	Diversity of governance bodies and employees	Page 63, 97	Inclusive and Diverse Working Environment/ Nominating and selecting the highest governance body
G405-2	Ratio of basic salary and remuneration of women to men	Page 70	Remuneration
G406-1	Incidents of discrimination and corrective actions taken	Page 72	Ethical Workplace
G 413-1	Operations with local community engagement, impact assessments, and development programs	Page 78	Community
G 414-1	New suppliers that were screened using social criteria	Page 77	Managing social and environmental risks and impacts in suppliers selection
G 414-2	Negative social impacts in the supply chain and actions taken	Page 77	Managing social and environmental risks and impacts in suppliers selection



# Appendix II: SASB Disclosures Index

Topic	SASB Accounting Metric	Metric Code	Read in the Report on	Page
Data Security	1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	FN-CB-230a.1	Reporting according to SASB: Data Security	29
	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	Reporting according to SASB: Data Security	29
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	FN-CB-240a.1	Not disclosed. CIB will keep its approach to disclosure under review.	–
	1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	FN-CB-240a.2	Not disclosed. CIB will keep its approach to disclosure under review.	–
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3	Financial inclusion	56
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4	Financial Literacy	59
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	FN-CB-410a.1	Not disclosed. CIB will keep its approach to disclosure under review.	–
	Description of approach to the incorporation of environmental, social, and governance (ESG) factors in credit analysis	FN-CB-410a.2	Environmental and Social Risks	109
Business Ethics	The total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-CB-510a.1	Governance: Compliance	102
	Description of whistleblower policies and procedures.	FN-CB-510a.2	Governance: Compliance	102
Systematic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	FN-CB-550a.1	Systematic Risk Management	29
	Description of approach to the incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-CB-550a.2	Systematic Risk Management	30



**DCarbon ©**  
Villa 78, road 282,  
Investment Village,  
Cairo, Egypt.  
[www.dcarboney.com](http://www.dcarboney.com)

## Independent Assurance Statement

### To the Board of Directors Commercial International Bank(CIB) - Egypt

DCarbon is a leading sustainability and environmental consultancy based in Egypt and registered under the Egyptian law no. 159 for the year 1981 and its executive regulation. DCarbon assists public and private organizations in understanding and addressing their economic, environmental, and social impact. DCarbon is a member and partner with multiple global establishments in the field of corporate sustainability. It is a certified training partner of the Global Reporting Initiative (GRI), a GRI Gold Community member, and an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD).

DCarbon was engaged by the Commercial International Bank (CIB or the Bank) to perform an independent assurance on its Sustainability reporting process for the year of 2021 ('the Report'). As an independent assurance provider, we were asked to assist the bank in assessing the bank's ESG performance comparative to past report cycle, to ensure the adherence of reporting to GRI reporting principles, contents elements and disclosures in light of sector specific indicators and in line with the bank's renewed and new ESG and Climate commitments.

### Assurance Scope and Boundaries

The scope of assurance has included data and information for the period between January 1, to December 31, 2021, based on the Global Reporting Initiative (GRI) Standards.

For this report, which marks CIB's 5th Assured Sustainability Report. This year, the assessment and assurance process were conducted through a new in-depth and bank-wide new stakeholders' engagement plans developed and executed by the bank. CIB's updated strategic value creation framework was also reviewed to ensure comparability and reliability of data provided and reported.

The report considered and reported on an outlook on externalities, national priorities, the post-COVID-19 status the Climate Action commitment by the bank. The Bank equally aligned its performance with a number of SASB indicators and reflection on the CIB progress and efforts according to the PRB and TCFD, as well as issuing of Egypt's Green Bonds by the bank. This commitment level by the bank required expert judgment to empathize areas of interaction and to assert the quality of reporting. Thus, the report captured the maturity of the business and its response to evolving and critical material issues, both nationally and globally.





Considering the scope of assurance and reported information, our Assurance Boundaries focused, within the availability or limitations of data provided, on the following:

- Availability of sufficiency data on new indicators.
- Connectivity of the business activities and the proper focus on material issues
- Consistency and comparability of results year over year
- Completeness and conciseness of data through verification of Stakeholders Engagement Plan and Implementation
- Reliability of information through verification of data collection process
- Alignment of material issues to internal/external risks, anticipated threats, opportunities and strategic objectives
- Sound analysis of Materiality Identification process, including stakeholders' inclusiveness, magnitude of impact on the bank's Value Creation.
- Review of disclosures on the various topics represented through quantitative and qualitative indicators to ensure, both, future comparability, and context.

**The assurance scope did not cover:**

- Data and information outside the reporting period indicating looking-forward statements by the bank.
- Verification statements indicating testimonials, opinions, success stories, and / or aspirations.
- Verification of claims (limited to data and information presented)

**Assurance Provider's Role**

CIB's Assurance Plan for this reporting cycle included:

- Our assurance duties as described in the "Assurance Scope and Boundaries" of this document
- Our key assurance-functions as foreseen according to the GRI Standards as described in the "Assurance Procedures" of this document

We have ensured that the report narrative and data provided represented adequate view to stakeholders in order to support the decision-making process through the completeness and connectivity of financial and non-financial data.

We were engaged in assessing the requirements level of appropriate evidence to support the reported value creation, particularly those that required qualitative considerations. We streamlined an adequate and necessary degree of comparability of indicators year over year. Our focus was more inclined to determine that the definitions of used terms are applied consistently in this single report and as per the bank's terms, while addressing national directives and global practices.

**Responsibilities of the Management**

The management was responsible for the preparation and fair presentation of the selected information included in this report, in accordance with the GRI Standards. It was responsible to assert that the internal controls enabled the preparation of information, free from material misstatement. Through our prolonged engagement with the CIB, we have observed that the leadership and management that governed the release of this report have actively proven their periodical oversight of the process and the departmental focal persons involved in the process.





### Assurance procedures

Our responsibility was to express a conclusion on the selected information included in this Report, based on reasonable assurance engagements. Back-end reviews and data assessments were conducted taking into consideration the CIB Sustainable Finance Strategy, the bank’s compliance to sector-specific certification, Egypt’s National Priorities, and governing national laws and regulations. The nature, methodologies, timing and extent of procedures selected depended on our engagements with the bank and its teams, the data provided, the oversight and review check-points by the delegated top-management representative, and finally based on final approval of the CIB Board delegates for each or any of the relevant report chapters.

Our reasonable assurance engagement included inquiries to the CIB’s professionals who were delegated and involved in the preparation of reported data. It also included applying analytical procedures to evidence supporting the issuance of a reasonable assurance conclusion on the report content. The reasonable assurance engagement involved the performance of additional inquiries where the independent reviewers may become aware of matters that might present significant misstatements or representation of information.

### Assurance Team

The assurance was conducted by a multidisciplinary independent team including subject-matter experts and researchers for auditing environmental, social and economic information and abiding to our values of integrity, confidentiality, professional competence, objectivity, and due attention.

For ESG frameworks alignment, data mining and data verifications, the assurance process was supported by **Mr. Hussein Gubran – Dcarbon’s Sustainability Researcher.**

### Conclusion

We have reviewed the Sustainability Report of the Commercial International Bank. Considering the risk of material error, we received all necessary explanations from the bank to support sufficient evidence to our assurance conclusion. Based on the activities performed and evidence received, in our opinion, CIB Egypt has complied, in all material respects, with the GRI Standards and its Principles for sustainability reporting criteria: Core Option.

This report defines a major milestone on Climate Action and Sustainable Finance and a new national benchmark for the banking sector in Egypt.

**May Elwany**  
Senior Consultant Strategies,  
Governance and Social Impact  
& Report Auditor

**Ehab Shalaby, Ph.D.**  
Chairman & CEO

