



THE BANK TO TRUST

TOWARDS AN IMPACT-DRIVEN APPROACH

**Principles for Responsible
Banking Progress Report**

2021

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In this report, “CIB”, “the Bank”, “our” or “we” refer to Commercial International Bank. Commercial International Bank is an Egyptian Joint Stock Company (S.A.E), and it performs under the provisions of the Investment Law No 43/1974.

Editorial Policy

Driven by our leading position in the nation, and as a founding signatory of the Principles for Responsible Banking, this report reflects the steps we have taken towards the implementation of the Principles of Responsible Banking, showcasing our efforts taken to enhance all aspects of our sustainability performance and governance, while taking into account both national and regional challenges and needs.

This is a one-time update report that complements the annual sustainability report, while bringing to light particular key topics that have become a major focus to our stakeholders.

Forward-Looking Statements

This report contains forward-looking statements on various future estimation 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 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 a downloadable PDF file on our website.


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CIB ESG Highlights


10% CARBON
EMISSION REDUCTION
BY 2025 ON INTERNAL OPERATIONS




ASPIRE TO BECOME
THE FIRST CLIMATE
POSITIVE BANK IN EGYPT




FIRST EGYPTIAN
BANK TO ISSUE
GREEN BONDS



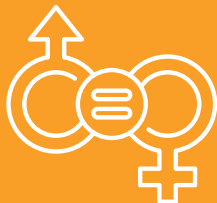



FIRST FINANCIAL INSTITUTION IN EGYPT
AND THE MENA REGION TO UNDERTAKE
LIFE CYCLE ASSESSMENT (LCA)
FOR THE BANK'S CREDIT AND DEBIT
CARD PAYMENT SYSTEM FOR 2019

0% NPL OF
WOMEN-LED SMES




FIRST BANK IN EGYPT
TO GET THE
GENDER EQUITY SEAL





LISTED ON THE 2021 **BLOOMBERG
GENDER EQUALITY INDEX (GEI)**,
WHICH MARKS THE BANK'S THIRD
CONSECUTIVE INCLUSION ON THE LIST

About CIB



CIB is Egypt's leading private-sector bank, offering a full range of financial products and services to enterprises of all sizes, institutions, households, and individuals.

The year 2020 in figures:

+1.5 million

Clients

208

Branches

7,071

Employees

25.8 bn

Revenues EGP

10.2 bn

Net profit EGP

Our Progress in a Glimpse

For over a decade, CIB has been a pioneer on sustainability issues, leading the banking sector towards acknowledging ESG factors. In 2019, CIB was a core founding signatory of the Principles for Responsible Banking. CIB along with other top global banks collaborated in the development of the 6 principles that define a framework by which banks transform into responsible banks aligning strategy and day-to-day business operations with national goals. These goals are accordingly represented in Egypt's Vision 2030, United Nations Sustainable Development Goals (UN SDGs), and the Africa 2063 Agenda. The Principles for Responsible Banking mobilize banks to direct finances and efforts towards environmental, Social and Governance (ESG) areas and promote positive impact and responsible investment.

In this report, we will exhibit CIB's progress towards the implementation of the 6 principles for responsible banking. During the past 18+ months, CIB has worked diligently to assess its status quo, identify gaps, set an approach and develop an action plan. CIB enjoys a head-start in many fronts that corresponds to the principles, allowing the Bank to capitalize on previous and currently achieved milestones.

Principle 1: Alignment

CIB's business model is set towards the creation of shared value to all stakeholders through utilising its resources to serve key strategic objectives taking into consideration the internal and external factors affecting the business. Our corporate strategy explicitly aspires to the integration of responsible banking principles and acknowledges environmental and social (E&S) risk management as a driver of organizational development and sustainability. To maintain internal alignment, CIB revised its sustainable finance policy statement setting the road to aligning the Bank's strategic direction with

UNSDGs, Paris Climate Agreement, Egypt Vision 2030, Africa 2063, as well international sustainability frameworks. The bank has developed its inaugural Sustainable Finance Policy highlighting our approach to sustainable finance and the bank's commitment to assessing its ESG impacts, managing risks and advancing its financial services to promote sustainable development. Moreover, we have worked closely to raise internal awareness of our employees, empowering them to align daily business activities with the bank's strategic direction towards achieving sustainable development.

Principle 2: Impact Analysis and Target Setting

CIB has set a staged approach to perform an impact assessment on the bank's Portfolio. The Bank started with the business banking portfolio, as is portrayed the highest level of maturity in data segmentation. Accordingly, CIB is currently working with the remaining business lines on its portfolio segmentations, data availability to be able to perform the full-fledged exercise of impact assessment properly.

The business banking portfolio constitutes around 4.5% of CIB's Gross Income, with 100% fully operated in Egypt. CIB has utilized the UNEP FI PRB Portfolio Impact Assessment Tool to undertake this assessment.

Based on this, CIB has identified its areas of significant negative impact to be Waste and Climate as it is caused by the financing of the Construction, Crop and Animal Production, Logistics, and Manufacturing of Paper and Paper products. As for the positive impacts that were identified, Our BB portfolio positively leads to inclusive healthy economies, and employment. This is primarily due to the nature of the SMEs leading to economic value creation and labor opportunities. Moreover, CIB BB finance education,

service institutions, and construction of infrastructure projects, providing fair access to economic and labor opportunities. Also construction and Crop and Animal production are a main employer in the Egyptian market.

As an institution that prides itself as being a pioneer in the Egyptian market and having been acclaimed for its financial and non-financial practices, we have found that gender empowerment is one of our strongest assets and dossiers, be it on our internal practices or externally as a responsible bank. CIB has taken into consideration the scope, scale of exposure, salience/intensity, and context and relevance in assessing their impact on this area, and accordingly identified its performance level on qualitative basis.

Principle 3: Clients and Customers

In line with CIB's commitment towards advancing sustainable finance and empowering and enabling clients towards more sustainable economic activities. In 2020, CIB took solid steps in issuing Egypt's first Green Bond. Over the past 18+ months, CIB has provided several services and products that have encouraged its corporate, retail, and SMEs customers to adopt sustainable practices and businesses

Moreover, the bank is developing a training module targeting its clients with the objective to raise their awareness on sustainability and develop synergies that empowers them to adopt more sustainable economic activities.

Principle 4: Stakeholders

At CIB, we regularly consult with policy makers in government and regulatory bodies such as the Central Bank of Egypt, Egyptian Stock Exchange,

among others as well as partnerships with non-profit organizations. 2020 witnessed several partnerships with different stakeholders aiming at mobilizing efforts towards achieving positive social and environmental impact.

- CIB is Co-Chairing Egypt's Closing Gender Gap Accelerator launched by Egypt's Ministry of International Cooperation, the National Council for Women (NCW), and the World Economic Forum (WEF).
- CIB has been selected in the relaunch of "Egyptian Gender Equity Seal" supported by the National Council for Women and the World Bank.
- CIB acted as an agent bank managing several programs under the Agriculture Development Program in partnership with the Ministry of Agriculture and Land Reclamation.
- CIB joined the Egyptian Pollution Abatement (EPAP III) in partnership with the Egyptian Environmental Affairs Agency (EEAA) as a participating bank.

Principle 5: Governance and Culture

In 2020, CIB enhanced its sustainability governance framework entailing the bank's commitment to and ensures effective implementation of the principles for responsible banking. The Bank has launched its sustainable finance policy and revised its Sustainable Finance Policy Statement.

We have ensured board commitment and alignment through the newly formed Sustainable Finance Steering Committee (SFSC) and maintained accountability of our governance structure through the appointment of a Chief Sustainability Officer who is heading the sustainable finance department. We have also ensured the effectiveness of the governance

Sound and Effective Sustainability Governance

system and implementation of the PRB through the creation of a sustainability strategic network of focal points to provide interlinkages between the sustainable finance department and other bank departments, ensures the achievement of targets and maintains accountability and transparency in reporting.

To maintain a culture of responsible banking, CIB has performed a tailored sustainability training to different departments, including risk, corporate, retail, business banking, strategy. The purpose of this training was to raise awareness to sustainable finance, the international frameworks to which CIB is a supporter and most importantly what does sustainability mean for each respective department. Moreover, CIB leveraged its internal communication channels and events to foster a culture of responsible banking and concurrently raising internal awareness.

Principle 6:
Transparency and Accountability

CIB has instilled a culture of transparency, accountability and reporting celebrating 5 years of sustainability reporting in 2020. This report is the first progress report on the implementation of the Principles for Responsible Banking. At CIB, we commit ourselves to annually report thereafter on our progress on the principles' implementation, our impacts, and target achievements.



Towards the implementation of the principles 1 and 5, we have further deepened the Bank's alignment with society's goals on the global and national levels as well as Paris Climate Agreement through the endorsement of several international sustainability frameworks; and revitalized our sustainability governance structure to better guide our journey of responsible banking.

With this new chapter in our sustainability journey, a new an enhanced sustainability governance structure was due to maintain the efficiency, accountability, and smoothness of operations. This framework acknowledges our commitments towards memberships, agreements, and principles we adopt or abide by such as the Principles for Responsible Banking (PRB), Principles for Responsible Investment (PRI), Task force for Climate-Related Financial Disclosures

(TCFD), and United Nations Global Compact (UNGC).

This governance framework marks the incorporation of sustainability into our core business operation, where we align our banking activities with UN SDGs and Egypt Vision 2030 (Principle 1), empower our clients and customers to engage and adopt sustainable practices (Principle 3), enable the Bank to assess the impacts of its portfolio, and implement the SMART targets that will be set in the foreseeable future (Principle 2).

The governance structure will allow us to report transparently on what we do, and on our progress towards being a responsible bank (principle 6). Being a dynamic organization, we continuously revisit our policies, procedures, and structures, taking into consideration the ever-changing external and internal circumstances, which empowers us to stay agile, efficient, and accountable, and ensures the proper implementation of the PRB.

Sustainable Finance Steering Committee

A cross-functional committee that includes Board and Executive Management representation, the Sustainable Finance Steering Committee's mission is to establish, guide, empower, and monitor the sustainable finance function, in line with CIB's business needs and international best practices. The committee's scope covers risk management, revenue generation, ecological footprint, and sustainable finance initiatives and programs. It is mandated to endorse and formulate strategic sustainability frameworks, enable the implementation of sustainability systems, ensure stakeholder engagement, and oversee monitoring and reporting.

Chief Sustainability Officer

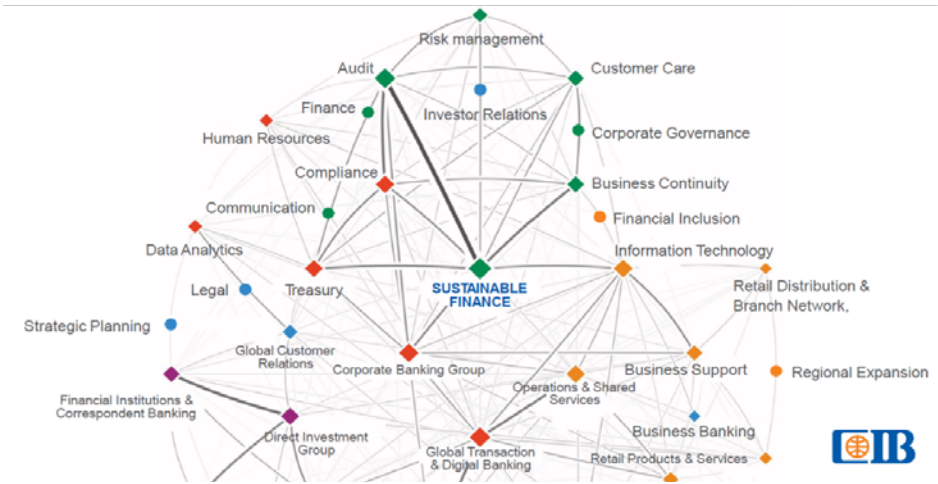
As part of the Bank’s move towards sustainable governance, CIB appointed a Chief Sustainability Officer, who now heads the new Sustainable Finance department.

Sustainable Finance Department

CIB established a Sustainable Finance department that ensures the centrality of sustainability as a core business strategy, and provides a solid platform for the integration of sustainability, and environmental, social and governance (ESG) principles across the Bank’s functions. The need for this department was core to maintaining the alignment of the Bank’s operations with sustainability, moving steadily towards closing the finance gap and achieving Egypt’s sustainable development goals and the SDGs.

Sustainability Strategic Network

The Sustainability Strategic Network is a cross-functional, multi-stakeholder organizational structure that includes key representatives from across the Bank, linking functions and departments together. This structure will embody a knowledge-based and action-oriented network, focused on advancing broadly articulated sustainability issues. The structure will be an integral component of the Bank’s sustainability governance structure, as it ensures internal alignment through an inclusive and participatory approach to embed sustainability within CIB through the creation of robust sustainability centric structures within CIB capable of advancing institutional objectives and implementing ESG targets.



Sustainable Finance Policy Statement

Furthermore, CIB has revised its Sustainable Finance Policy Statement that lays out CIB’s approach to sustainable finance. This policy sets the road to aligning its day-to-day banking operations with UN SDGs, Egypt Vision 2030, and CBE’s strategic direction. It reflects the Bank’s commitment towards the provision of sustainable finance products and services that promote sustainable development. It

also sets the Bank’s obligations towards the alignment of business policies and operations with sustainable development, and the consideration and management of social and environmental risks and impacts.

The Policy statement simply defines CIB’s commitment towards ESG, highlighting its role in contributing to international climate change targets

through managing the affiliated risks and mitigating negative impacts. In addition, this PS establishes its role towards social development, specifically in terms of the respect of human rights and gender equality, not only within the borders of our institution but also through empowering our clients towards considering the role they play in social and environmental development. To this end, CIB will adopt a system-thinking approach acknowledging the unique nature of sustainability in terms of the existence of strong inter-linkages between different topics and the presence of clear dependencies, thus empowering the bank to sustain its growth as well as achieving growth on S&E fronts. Finally, our Sustainable Finance policy statement sets the Bank’s commitment towards transparency and reporting of our progress towards the incorporation of E&S into our business operations. It also states that CIB maintains an open dialogue with its stakeholders regarding E&S progress and will do this in a regular and transparent manner.

Sustainable Finance Policy

CIB’s approach to sustainable finance is comprised of interconnected pillars addressing the Bank’s economic, environmental, social, and governance (EESG) impact. It also consists of ensuring the optimization of its digital capabilities to provide a supporting infrastructure for each pillar. This Sustainable Finance Policy defines and sets a comprehensive framework that translates the Bank’s commitments into achieving long-term value creation for all stakeholders and instilling a governance framework to monitor proper implementation.

This policy is complemented by CIB’s Sustainable Finance Policy Statement and supplementary policies. It was developed in alignment with national, regional, and international agreements, goals, and standards concerning sustainability. CIB’s Sustainable Finance Policy is applicable to all the Bank’s departments, functions, and lines of business. It provides guidance to all internal stakeholders who are responsible for aligning with the requirements of

this policy in their respective areas of responsibility. The Bank’s Sustainable Finance approach is built around growth achieved through establishing connections with the Bank’s stakeholders and the ecosystem at large, which ranges from employees, clients, investors, regulators, and peers, to the environment and society. This policy also entails CIB’s sustainable finance system that is primarily comprised of our thematic commitments acting as the Bank’s guiding principles for sustainable finance, reflected in the Bank’s policy statement.

Managing our Social and Environmental Risks

Strong risk management is a core value to our operating principles. We continuously work on maintaining a proactive approach to management of risks, including Environmental and Social (E&S) Risks. CIB has had an Environmental and Social Risk Management System (ESRM) in place since 2016. An ESRM is a risk management system that enables the Bank to identify, manage, and mitigate E&S risks that are associated with prospective clients. It 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.

As an integral component of ESRM, CIB developed its first Environmental and Social policy guide and procedures manual, which was approved in 2017 by Senior Management and aligned with multilateral partner banks at the time (The International Finance Corporation [IFC], and European Bank for Reconstruction and Development [EBRD]), ensuring its compliance with international standards. Currently, the ESRM aligns with CIB’s Sustainable Finance Policy, and follows the IFC Exclusion List. The system will be continuously utilized as a mitigation tool for the Bank’s identified negative impact areas, in addition to encouraging social and environmentally friendly practices. The scope of the ESRM will cover all business lines to ensure the incorporation of ESG in all our financing activities, guiding us to reach our planned sustainability targets.

Spearheading Sustainable Finance



In the direction of putting principles 3 and 4 into practice, CIB empowers its clients with the necessary knowledge, training, product offerings and partnerships to aid their transition to a more responsible business model and magnify the Bank's positive societal and environmental impact.

CIB considers sustainable finance the true form of internalizing sustainability into core business practices. It is the enactment of our belief in leading change and achieving positive social and environmental impact. To this purpose, a robust ESRM system, good governance as well as a wide range of sustainable finance products and services are in place maintaining CIB's stature as the bank spearheading sustainable finance in Egypt and the region.

Being a customer-centric organization, we continuously strive to provide our customers with the best customer experience through maintaining a trustworthy and responsible relationship. This focus guides our business in terms of how we serve our customers, implement product and service provision and enhancements, and uphold our communication standards. Our commitment towards sustainable finance and being a responsible bank obligates us to work with our clients as partners, empowering them with the knowledge and guidance that enables them to adopt sustainable practices.

Sustainable Products and Services

First Green Bond in Egypt

2020 was a strong year for our move towards sustainable finance, as CIB took solid steps in issuing Egypt's first green bond up to USD 100Mn. The first tranche of the issuance is expected to be between USD 30-65Mn in the form of a private placement with the International Finance Cooperation (IFC). This serves as the latest addition to a suite of environmentally beneficial products to leverage capital market-fixed income instruments and fund adaptation and mitigation measures. The offering of this climate-friendly securities acknowledges the key role that financial institutions play in economic development and the allocation of financial resources to sustainable economic activities. As such, the Bank aims to contribute to the development of the green bond market, as it represents another milestone in its sustainable finance journey. The proceeds from the bonds will observe UN Sustainable Development Goals (SDGs) number 6, 7, 9, 11, and 13, which fall within the materiality of CIB.

Green Credit Line

In an effort to enable and empower our clients and customers to adopt more sustainable practices, CIB launched a green finance product in 2019, the CIB Green Credit Line. Its aim is to support our corporate customers who wish to achieve economic growth through environmentally targeted projects and practices. The loan is provided by CIB's funds at a preferential interest rate and is focused on energy efficiency and renewable energy, as well as all projects that provide evidence of positive environmental impact. Through this product, CIB provides complementary technical assistance and expertise to corporates, in partnership with the Ministry of Electricity and Renewable Energy (MoERE) and the United Nations Development Program (UNDP). Moreover, we equip our clients with a list of partner

suppliers to source LED bulbs and solar technologies, verified by UNDP and MoERE testing labs, at discounted rates.

Household Green Loan

In line with the national direction towards rationalizing energy consumption through the use of renewable energy, CIB offers retail customers a solar loan with special financing for purchasing and installing solar panels. Developed in cooperation with several of the world's leading solar energy organizations, the Bank's solar loan offers the best financing options for customers seeking a more energy-efficient lifestyle. The Bank's solar loan enables customers to switch to more affordable sources of energy, which saves money in the long run. This product exhibits competitive return rates and a flexible repayment plan of up to five years, in addition to technical assistance by highly reputable vendors, and discounts on administrative expenses. The loan is in line with the national initiative to promote affordable, green, and renewable energy solutions. CIB partners with solar panel vendors and companies that provide high-quality energy-efficient products to our retail clients with competitive prices.

Raising Awareness and Building Capacities

For several years now, CIB has been taking financial literacy as an obligation upon itself, based on its belief that financial inclusion should be coupled with financial literacy in order to fully include and serve the unbanked and underserved. The Bank participates annually in the CBE's financial literacy events targeting youth and women. In addition, we leverage our digital channels and face-to-face interactions (prior to COVID-19) in engaging with clients to empower them with knowledge of the products and financial and economic basics. (for more details on our financial literacy efforts, check out our Sustainability Report 2019)

Spearheading Sustainable Finance

Towards Sustainable Business Practices and Opportunities



CIB Blog — Beyond Banking

Through CIB's blog and social media platforms, we have deepened our client engagement beyond banking activities. The blog provides informative articles and short videos in covering several topics from banking fundamentals, economics, and entrepreneurship. Through this blog, the Bank delivers simple information that demystifies banking products and services. The goal is two-fold: positioning CIB as a first-mover for financial literacy and financial inclusion in Egypt and from a product and service perspective, reinforcing CIB's values, establishing trust, and maintaining CIB's status as the preferred choice of consumers considering banking products or services.

Growing Together

In September 2020, CIB Business Banking launched a new educational series for SMEs in partnership with CIB Business Solutions program providers. The series aims to equip SME business owners with the knowledge to advance and revitalize their businesses and concurrently raise awareness of the recently launched "CIB Business Solutions" program (read more on partnerships). The videos cover a wide range of topics related to successful business management, including understanding and managing people in your business, decision-making in tough environments, business transformation, and cash management. Customers can tune into the live videos through CIB's LinkedIn page.

Celebrating 5 Years of Sustainability Reporting

2020 marked the Bank's five-year anniversary for sustainability reporting. Since becoming one of the first institutions in Egypt to introduce sustainability reporting in 2015, CIB has gradually enhanced its commitment to sustainability across its business, integrating environmental, social, and governance (ESG) dimensions into its policies, procedures, operations, and culture. There was no better way to celebrate this milestone than through intensified stakeholder engagement.

CIB celebrated its fifth year of sustainability reporting by launching a **Sustainability Reporting Award**, given to twenty participants from the 10th

Egypt CSR Forum. Award recipients received free Global Reporting Initiative (GRI) Certified Training, over a two-day virtual workshop. This is in line with the Bank's strategy to increase sustainability education and spread awareness of the importance of transparent reporting. Various sectors were represented including, but not limited to, petrochemicals, tourism, telecom, and education. In this training, we shared sector-specific experience and sustainability issues, enriching the discussion and increasing knowledge sharing.

Internally, we celebrated by taking our employee engagement to another level with **CIB's 5 Year Sustainability Reporting Internal Competition**. The purpose of this competition was to connect and engage with CIB employees and introduce sustainability concepts indirectly, while ensuring their commitment towards the environmental and social dimensions. The employees were requested to share a success story related to their personal or professional life through various topics. Such engagement aimed at keeping employees motivated to contribute and participate in sustainability initiatives whether inside the organization or in their day-to-day lives. It's a way of encouraging and cultivating a culture that pursues personal growth alongside business growth.

Promoting Internal Alignment

On our journey towards being a responsible bank fulfilling principle 1, CIB focuses on raising awareness, building capacities, and instilling a culture of responsible banking both internally with employees, and externally with customers or other stakeholders. Along with the newly launched Sustainability Strategic Network (SSN) that includes key representatives from across the Bank, linking functions and departments together, we worked on many fronts throughout the past years to empower our employees with the knowledge of sustainability issues to assist in achieving our sustainability goals and give our customers the best banking experience.

Sustainable Finance Strategy E-Workshop

With the purpose of ensuring internal alignment of our day-to-day business operations with Egypt Vision 2030, the SDGs, and Paris Climate Agreement, CIB held the Sustainable Finance Strategy E-Workshop in the last quarter of 2020. The objective of this workshop was to introduce sustainable finance to core bank functions and build capacities necessary to the advancement of sustainable finance.

In the span of three days, a total of 55 employees actively participated in this workshop, including 20 employees representing the corporate banking group, global customer relations, and the financial institutions division. 15 employees from the banking segment represented value proposition, product development, prospecting, and acquisition and distribution. The other 20 employees represented all different risk functions, namely corporate credit and investment, restructuring and recoveries of distressed assets, enterprise risk management, business banking risk, credit investigation, and credit control.

The discussions unleashed a reservoir of thoughts and points of alignment that will help shape our sustainable finance strategy, highlighting the vast opportunities that sustainable finance can create. According to a post-workshop survey filled out by the participants, more than 50% believed that sustainable finance should have some impact on the banking sector. The workshop discussions highlighted that CIB's mature Risk Management Framework acknowledges the social and environmental risks, which need further enhancement specifically pertaining to internal processes and capacity building. Risk management participants agreed that in order for sustainable finance to gain momentum, redefining the role of risk within the bank is required to support the different lines of business to spot new business opportunities and connect with clients. On the corporate banking side, participants confirmed that sustainable finance can encourage clients to join sustainable and green sectors. As for CIB's business banking, its existing model of value creation perfectly fits into the sustainable finance paradigm and enhances the Bank's sustainability reporting, which is required by investors.

CIB Roundup

We leveraged our weekly internal communication newsletter, CIB Roundup, and added a new section dedicated to sharing news and highlights on our sustainability efforts and achievements. We also utilize the section to raise awareness by highlighting sustainability news on the national and global levels.

Stakeholder Partnerships

CIB continuously engages and partners with stakeholders on sustainability projects to magnify positive impact and mobilize resources towards the achievement of sustainable development. We form partnerships with governmental bodies, civil society organizations, and private sector suppliers, to empower our clients with the knowledge and funds that enable them to transition to more sustainable practices.

Partnerships with Regulatory Bodies

CIB joined the Egyptian Pollution Abatement (EPAP III) in partnership with the Egyptian Environmental Affairs Agency (EEAA) as a participating bank, with the objective of promoting improvements and/or expansion of existing projects with an environmental impact. In addition to the partnership program with the Environmental Compliance Office (ECO), we worked on promoting environmental commitment within the industrial sector, specifically with private industrial sector companies that are members in the Federation of Egyptian Industries.

CIB also acted as the agent bank for the Agriculture Development Program by the Ministry of Agriculture and Land Reclamation (MoALR), providing access to concessional credit lines financing the agricultural sector for CIB and non-CIB customers through Development Finance. By the end of 2020, the total approved developmental agri-loans reached EGP 742.3 million, financing 46.7k beneficiaries, comprising 46.2k individuals from cooperatives, 102 companies, and 431 sole proprietors, 14.6% of which were females.

Climate Change Risks

With the aim of gaining a deeper understanding of climate risks, CIB joined the new UNEP-FI TCFD pilot program for both banks and investors. The program will fully explore climate change stress testing, the integration of physical and transition risk assessments, and sector-specific risks and opportunities. Together with regional and global financial institutions, the Bank will partner with UNEP-FI and global experts to address cutting-edge questions on risk assessment and disclosures.

Business Solutions Program

CIB is aware of the unique nature and needs of our SMEs clients, and how they are empowered by formulating strong partnerships that support their growth journey. Accordingly, CIB launched the Business Solutions Program, providing non-financial services to its clients. CIB has partnered with companies in key sectors to offer products and services to clients at discounted prices, covering several services that are needed by SMEs to maintain sustainable growth, namely legal advisory, audit and accounting, E-commerce solutions, consultancy and training, marketing and research, human resources, and logistics and shipment.

Levi Strauss & Co. and Mastercard

A success story for CIB on this front was its partnership with Mastercard and Levi Strauss & Co.¹, Her Finance², and the Center for Development Services (CDS)³ to develop an innovative program to increase financial literacy of lower income factory workers in the textile industry. During the launch of the program, CIB focused on the 11,000 employees of Levi Strauss & Co. Port Said factory. The program, developed and implemented by CIB and its partners, empowers employees and encourages them to use the Bank’s services by educating them on the benefits of digitizing their finances. Throughout 2019, the project successfully offered employees payroll accounts and mobile wallets, which resulted in around 600 employees opening CIB Smart wallets and transferring 4,000 cash wage employees to CIB Payroll accounts. The project also offers training courses to educate workers about our services and benefits with

peer educators dedicated to sharing their banking experience and helping their co-workers choose the products best suited to their needs, and educating employees on the benefits of have a bank account.

Sustaining SMEs

With SMEs securing the livelihood of a large and growing portion of the Egyptian population and representing around 95% of the industrial sector, CIB has empowered SMEs to adopt sustainable business activities. Transitioning SMEs to environment, economic, social, and governance (EESG) practices allows them leverage to access new markets, reduce operational costs, achieve efficiency, and access capital financing opportunities among other benefits. CIB Sustaining SMEs program seeks to mobilize sustainable finance for all SMEs in Egypt influenced directly or indirectly by CIB, and to include SMEs in the sustainability conversation.

The program commenced with a baseline Environmental and Social Impact Assessment (ESIA) survey study of a sample of 205 CIB-funded SMEs. Accordingly, the Bank defined strategic priorities to build momentum across five areas of action: awareness, learning, support, innovation, and perpetual improvement. Those areas were further divided into comprehensive paths, each full of unique opportunities to rethink business, explore ground-breaking solutions, and implement real change.

Aim		
Transform the culture of doing business in Egypt towards sustainability		
Goals		
1. Facilitate adoption of sustainable business models among SMEs	2. Facilitate adoption of sustainable business models among SMEs	3. Build partnerships for responsible banking
Objectives		
1.1. Assess the status of SMEs’ sustainability performance in Egypt 1.2. Develop tailored frameworks and tools to promote the integration of sustainability into SME business models 1.3. Educate SMEs on the program’s possibilities and benefits 1.4. Develop SMEs’ capacities for adoption of sustainable business models and contribution to the SDGs	2.1. Integration of ESG criteria 2.1. Develop and implement SME sustainability rating system 2.1. Establish a continuous learning approach to facilitate continuity and progress in CIB’s responsible banking leadership	3.1. Generate wide public dialogue on the role of SMEs in sustainability transition 3.1. Build partnerships to extend the positive contribution of SMEs to the achievement of SDGs 3.1. Engage financial institutions and other actors to promote responsible banking in Egypt

¹ An international clothing company with a factory in Port Said.
² An NGO dedicated to women’s empowerment and financial literacy.
³ A local NGO aiming to foster self-determined and self-sustaining change in Egypt.

COVID-19 Response

Responsible Business Response

It cannot be refuted that the past year signified a critical moment in the history of our Bank, let alone the world. The COVID-19 outbreak posed dire challenges that, we as CIB, have endeavored to overcome, and in doing so, developed our own efforts to keep our clients, staff, and business accessible, functional, responsible, and secure. Our clients were able to use our services from the comfort of their homes, with access to internet and phone banking services, CIB smartphone app, mobile wallet, and the chatbot.

The Central Bank of Egypt adopted several policies when facing the pandemic, which CIB fully supported. The CBE took a number of measures to ensure that the economy can withstand these difficult times, cutting rates by 300 basis points to protect the economy. The CBE also put forward a plan to protect businesses and individuals alike by postponing loan and credit card payments by six months, providing soft loans to tourism-related companies to pay wages, commitments to suppliers, and maintenance, launching industry-specific stimulus packages, in addition to temporarily setting a daily limit on bank and ATM cash withdrawals and deposits to move Egyptians away from cash and reduce crowds in branches.

SMEs Road to Recovery

In support of SMEs, the CBE announced forgiving half of the principal on loans to nonperforming clients and to fully forgive unearned interest. CIB worked with the CBE to ensure that Egypt's SMEs could chart this crisis quickly. We have adopted the following steps in this regard:

1. CIB implemented CBE directives to extend maturities and interest on SME loans for six months. Where our exposure amounted to less than EGP 10 million, we implemented the CBE's directive to forgive 50% of the principal on loans to nonperforming SME clients and to fully forgive unearned interest. We are not interested in legal cases and look forward to regularizing the credit history of nonperforming SME clients and returning any collateral.

2. Remedial management units support our SME clients with assessments and developing tailored strategy and action plans to aid clients through any debt restructuring.

3. Our SME clients were able to apply for any business banking product and submit all documents electronically as a fully dedicated SME contact center was set up.

Safety Measures

1. **WFH:** CIB activated its work-from-home plans whereas half the Bank's employees were instructed to work from home, with priority given to high risk individuals, pregnant women, and mothers with unmet childcare needs. Some staff members were put on paid leave as a precaution. No days were deducted from their vacation allowance.

2. **No physical meetings:** We prohibited all physical meetings, including internal meetings and meetings with vendors, and suspended all business trips. We also cancelled all training programs, both local and abroad. The Bank instructed staff members experiencing symptoms, or those who have been in close contact with family or friends with symptoms, or who have travelled recently, to take 14 days paid leave and self-isolate at home. We also notified any staff member that came in close contact with the potentially infected person to self-isolate.

3. **Staff assistance:** CIB set up a dedicated 24/7 hotline for staff reporting any COVID-19 symptoms. The Bank used channels to instruct any infected staff members of the steps to follow. All CIB staff members and their families enjoy medical insurance provided by the nation's top insurers. We also reduced the number of employees operating at our branches, without affecting our capacity to serve clients. CIB reserved a full floor at a major hotel in Cairo as a quarantine bay for its employees if needed. The floor reservation, which has a capacity of 30 rooms, comes as part of CIB's concern for the health and safety of its employees.

4. **Hygiene precautions:** We distributed hand sanitizer across all branches and other CIB premises. We also applied extra hygiene measures across all service areas, including buffets, cafeterias, etc. The Bank has suspended all deliveries of food to its buildings and cafeterias. Medical gloves were distributed to all employees handling cash and working at central vaults.

5. **Redirecting campaigns:** CIB also suspended all product-focused campaigns. The Bank's marketing efforts are focused on driving traffic away from branches and towards digital channels and ATMs. We are using all channels available to communicate messages on safe banking. We are rolling out videos to explain how to access and use our digital channels. Zaki, the chatbot on our website, now displays a sanitary mask and has been programmed to answer questions on banking safely.

Our Impacts Unraveled

In the past 5 years of sustainability reporting, CIB undertook annual materiality assessments, identifying numerous potential environmental, social, economic, and governance issues that impact business internally and externally. Through this process, issues are refined and prioritized into a shortlist of material issues informing our Bank's strategic direction. Accordingly, this process considers relevant matters to the national and international context in alignment with the UN SDGs, Africa Agenda 2063, and Egypt Vision 2030. As CIB became a founding signatory to the Principles for Responsible Banking, assessing the Bank's economic, social, and environmental impact advanced to a higher level.

As a pioneer Bank in assessing and managing ESG impacts of its internal operation, CIB has undertaken an annual carbon footprint assessment and has set a climate change target of 10% emission reduction by 2025¹ on internal operations. The Bank has also succeeded in maintaining a diversified and inclusive workforce through empowering women, culminating in receiving this year's Gender Equity Seal, a recognized symbol of gender equality in the workplace. Additionally, CIB has undertaken a Life Cycle Assessment Survey study of its Card Payment System to assess its environmental impacts and assist the decision-making process with scenario analysis exercise. (read more on From Cradle to Grave)

In acknowledgment our impact that extends beyond our internal operations, CIB undertook a holistic impact assessment of its lending portfolio as the first step towards implementing the PRB, identifying the economic, social, and environmental impacts on people and the planet. Given this exercise's novelty, we started by the impact analysis of our business banking portfolio as the first step in a full-fledged process of quantifying environmental, social, and economic impacts across CIB's lending portfolio. This impact analysis of the Bank's portfolio enables the Bank to identify its significant areas of impact, formulate a

benchmark (baseline), and set the course of action by committing to targets that mitigate our negative impact while intensifying our positive impact.

Business Banking Portfolio Impact Assessment

As a novel exercise, we chose to begin our impact analysis process with the Business Banking (BB) portfolio given its relative advancement in portfolio industry segmentation of sectors and subsectors, compared to other business lines at CIB. The Bank understands the vital role played by SMEs in Egypt given that the number of registered MSMEs is 3.653 million², which employ more than 70% of the workforce³. With the Central Bank of Egypt obliging banks in February 2021 to increase financing directed to SMEs from 20% to 25%, there are broad prospects for growth for our business banking department. As we commit to maintaining responsible growth of our portfolio, assessing our sustainability impacts at this point enables us to better align with the SDGs and Egypt Vision 2030, and achieve sustainable and responsible growth.

Overview of Business Banking Portfolio

- EGP 3.3 billion total lending portfolio
- NPL of 3% in 2020
- A growth rate of more than 50% in total value of unsecured loans
- The top 10 sectors of our business banking portfolio, contributing to around 60% of the total BB portfolio, are as follows:
 1. Construction
 2. Whole sale trade
 3. Logistics
 4. Retail trade
 5. Education
 6. Manufacturing of furniture
 7. Services institutions
 8. Crop and animal production
 9. Manufacturing of paper and paper products
 10. Manufacturing of wearing apparel

Methodology

We utilized the UNEP FI portfolio impact analysis tool to analyze the BB portfolio's environmental, social, and economic impacts. The tool incorporates this key step's requirements in terms of scope, scale, context, and salience/intensity of the impact. The scope of our analysis is CIB's Business Banking Portfolio contributing to approximately 4.5% of CIB gross income. The assessment focused solely on Egypt as it constitutes 100% of business banking operations. Country impact needs have been incorporated in the analysis, highlighting Egypt's challenging areas.

We have followed a methodological process to undertake this impact assessment divided into several phases. The engagement of business banking and risk departments was vital throughout this exercise.

We developed the following process to quantify our impacts. Due to the originality of this exercise, this process is subject to continuous enhancement.

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1. Data Collection

This step involves identifying data needs for each business line and specifying data ownership. We prepared data collection templates and collected data from business lines and risk departments.

2. Data Mapping

At CIB, our industry and sector segmentation of the portfolio is different than the ISIC segmentation. Accordingly, we worked closely with each department to understand the sectors and subsectors and map them to the ISIC classification so that we can input the data into the tool.

3. Sector Selection

CIB's BB portfolio is segmented into over 30 sectors and even more subsectors. However, the tool restricts users to input only 15 sectors. Accordingly, we had to undertake a selection process based on the following criteria:

- a. Sectors with the highest share of the business banking portfolio
- b. Sectors with the highest ESG risk
- c. Sectors with the best fit to the national/CBE direction of SMEs
- d. Sectors that the Bank focuses on in their expansion plan

4. Egypt Impact Needs

CIB has examined the level of impact needs in each impact area preset in the tool with the help of environmental, social, and economic experts. The impact needs ensure that the holistic impact assessment exercise is taken into context. (read more on Appendix- Assessing Egypt's Challenges)

5. Analysis of Identified Impacts

This step involves drawing correlations between the identified areas of impact and the sectors financed. Justifications of these impacts are given with respect to national context and sector nature.

6. Significant Impact Areas Engagement

This step involves assessing the Bank's performance in terms of the chosen areas of significant impact. The choice of impact areas is dependent on being a negative impact that requires mitigation as well as significance to national context. CIB acknowledges the existence of data gaps in having quantitative KPIs to indicate its performance in terms of the identified areas of impact. There is also a lack of data regarding peer benchmarking. Accordingly, CIB identifies its performance by drawing qualitative connections utilizing the available data on national policy direction and aggregate data.

¹ This target shall be revisited due to COVID-19.

² CAPMAS economic census for 2017/2018.

³ MSME Economic Indicators. Available at: <https://www.smefinanceforum.org/data-sites/msme-country-indicators>

7. Target Setting

This last step involves setting SMART targets for two areas of impacts given that it mitigates negative impacts. This is done through identifying green lending sectors associated with these impact areas and setting a target to mitigate its negative impacts. CIB is currently engaged in the

holistic impact assessment. Targets will be set in the foreseeable future.

Impact Identification

According to our assessment, the Business Banking Portfolio has a positive social and economic impact and a negative environmental impact.

	Impact areas associated with key sectors- Positive	Proportion of portfolio	Impact areas associated with key sectors- Negative	Proportion of portfolio
1	Inclusive Healthy Economies	26%	Waste	24%
2	Employment	25%	Climate	19%
3	Mobility	19%	Health and Sanitation	7%
4	Availability of Water	17%	Quality of Water	7%
5	Housing	17%	Availability of Water	4%

Analysis of Identified Impacts

Inclusive Healthy Economies and Employment has been identified as significant areas of positive impact of the BB portfolio due to SMEs' inclusive nature in increasing value creation and ensuring accessibility to labor and economic opportunities, translating into a positive social and economic impact. As clarified above, it provides employment opportunities to around 70% of the population in Egypt. The main contributor to this positive impact area is education, as it plays a vital role in societal and economic value creation, poverty reduction, and economic convergence. As a significant employer in the Egyptian economy and the highest share in our business banking portfolio, construction contributes to the identified positive impact of inclusive, healthy economies and employment. Given that a valuable share of construction financing is directed to infrastructure projects and roads, it contributes to ensuring the accessibility of vulnerable and underserved segments of society to economic opportunities since it supports most sectors of the economy. Crop and animal production, as an agriculture sector, is highly

labor-intensive and contributes to societies' livelihood, leading to a positive impact on employment.

Waste and Climate has been identified as a business banking significant area of negative impact, signifying the need for CIB to manage and mitigate its negative environmental effects. Waste management is a major issue for Egypt occupying governmental discussions.

Although the main focus of all national talks related to this issue is on municipal waste management, the other solid waste sources are a more significant problem, especially the dangerous ones. The key sector in our portfolio's contribution to this negative impact is primarily construction. Although we do not have recent statistics on the estimate of construction and demolition waste in Egypt, it is an evident and visible problem. Moreover, crop and animal production and paper manufacturing are two main sectors that contribute to this negative environmental impact. The second negative significant area of impact is Climate. Even though Egypt is not a major

contributor to GHG emissions, it is highly affected by climate change, especially the coastal areas. Effective adaptation measures and identification of E&S risks are critical in managing the situation. Key sectors leading to this negative impact are crop and animal production, wholesale and retail trade due to its reliance on transportation, logistics, and construction.

Target Setting

We are currently analyzing the environmental, social, and economic impacts of our retail, corporate, and investment portfolio. After we undertake the entire exercise, we will undertake solid engagements with stakeholders to set targets, through identifying green lending areas that mitigate the Bank's negative impacts and increase its positive impacts. The Bank will leverage its sustainable finance department to work closely with business lines, building their capacities, creating sustainable business opportunities, and setting the needed governance to implement, monitor, and evaluate set target.

From Cradle to Grave: Analysis of CIB Card Payment System

In an effort to show industry leadership towards achieving a positive impact on the environment, CIB has undertaken a Life Cycle Analysis (LCA) of its card payment system. The LCA technique measures the environmental impacts associated with a product or service life stages, beginning with raw material extraction, processing of materials, and manufacturing, to its distribution and use. We have undertaken this LCA on CIB's card payment system which includes four main components, namely credit and debit cards, ATMs, Point of Sale (POS) terminals, and Datacenters, basing our analysis on the number of cards and number of transactions in 2019. The main purpose of this exercise is to assess the environmental impacts of multiple card optimization scenarios to empower the decision-making process within the Bank with regards to digitalization of the system and its associated environmental and health impacts. Moreover, it increases the accuracy of the carbon footprint and ecological footprint assessments that the Bank conducts on a yearly basis, and assists the Bank in achieving its climate change targets that were set at the end of 2019 of 10% carbon emission reduction by 2025.

The assessment began with a thorough examination of primary input data and validation for all components and subsystems, such as the composition of cards, electricity consumption of ATMs, and fuel combustion per km for transportation. Accordingly, the environmental impacts were assessed for component of the payment system. Based on the results, different scenarios for lowering the impact of the card payment and achieving optimum ecological efficiency have been studied and analyzed from an environmental perspective including: I) going card-less; ii) introducing alternative payment solutions like e-wallets and mobile payments to reduce the number of credit/debit cards issued; iii) increasing the lifetime of debit and credit cards; iv) using renewable energy to power ATMs; v) using alternative materials for the manufacturing of the cards; vi) optimizing ATM energy consumption; vii) increasing the recycling rate for all system components.

The analysis of the results shows that the total impact for the different scenarios considered ranges from 20.95 kpt for the cashless scenario to 70.07 kpt for the baseline scenario, while the GHG emissions for the different scenarios varied from 433,374 kgCO₂eq to 2,084,329 kgCO₂eq for the cashless and baseline scenarios respectively. It was concluded that ATMs are the highest contributors to the total impact, and by excluding ATMs in the cashless scenario, the total impact was reduced by 70% compared to the baseline scenario. Another attractive and more applicable scenario would be to go card-less and digital, eliminating the use of cards altogether. This scenario has been characterized by a total impact of 63.58 kpt, resulting in about 10% decrease in the total environmental impact and carbon footprint emissions compared to the baseline scenario.

Gender Empowerment

As an institution that prides itself on being a pioneer in the Egyptian market and having been acclaimed for its financial and non-financial practices, we have found that gender empowerment is one of our strongest assets and dossiers, be it in our internal practices or externally as a responsible bank.

Although gender equality remains a significant challenge in Egypt¹, both the government and the private sector have accomplished and reached new milestones on the quest to meet SDG 5 in 2020 and the first quarter of 2021. CIB has made great strides on this front which will be exhibited in depth in the coming sections.

The National Context

On the governmental level, various initiatives and developments aiming to achieve gender empowerment both horizontally and vertically across public sector were praised for their efforts. For instance, Egypt's Minister of Planning and Economic Development issued decree No. 9 of 2021 to establish the Equal Opportunities Unit in the Ministry². The mission of the unit is to consolidate a culture of gender equality and work to integrate it into all activities and plans, in addition to promoting the implementation of the sustainable development goals concerned with equality, in line with the national strategy for the empowerment of Egyptian women 2030.

COVID-19 caused disruptions and posed unprecedented challenges to the gender equality cause; however, Egypt managed to be the first country to provide a women-specific response launched by the National Council for Women during the pandemic. Egypt came in first place in the Middle East and West Asia regions with 21 policy measures according to the

UNDP COVID-19 Global Gender Response Tracker as highlighted by Dr Rania A. Al-Mashat, Minister of International Cooperation³. The current portfolio of projects that exclusively target SDG 5 in Egypt include 13 projects amounting to \$82 million as listed on the Ministry of International Cooperation's interactive website⁴.

With 25% of the Egyptian Parliament seats allocated to women, and 8 ministries being led by women in the Egyptian cabinet, the government is keen on reflecting its ardent commitment to Egypt Vision 2030 vision and SDG 5.

Gender Empowerment Within Our Workforce

CIB has been focusing on gender equality by offering gender conscious services and mobilizing its efforts towards the financial and economic inclusion and empowerment of women outside the Bank as well as prioritizing the integration of gender equality in its daily operations across all functions. With women comprising 30% of our human capital and 29% of our BOD, our commitment to gender equality has and will always be a staple of our business model and mandate.

Our diverse and inclusive workforce is governed by a well established Human Resources Policy, Diversity and Anti-Harassment commitment statements.

Gender equality has been at the forefront of CIB's success story for several years, which extends beyond the limits of our institution. With 10 years away from 2030 and SDG 5, CIB has already made great strides on goal 2 'Equity and Inclusion' of Egypt Vision 2030, building on the direction of the Central Bank of Egypt's initiative for the financial inclusion of women as indicated in the report⁵.

Egyptian Gender Equity Seal

CIB is proud of its diverse and inclusive workforce, which the Bank has been internationally and locally acclaimed for. We have established several partnerships with different stakeholders to accelerate this front and lead the banking sector and private businesses towards gender empowerment. This year, CIB was selected to be one of the first two private sector companies to participate in the relaunch of the Egyptian Gender Equity Seal (EGES) certification process in 2019/2020. CIB is currently the only Egyptian company to receive the certification twice (once in 2010, and again this year). CIB is also the only bank in the MENA region to receive this certification based on the World Bank Gender Equity Model (GEM).

This seal is supported by the government and is represented by the National Council for Women and the World Bank. It provides the best quality standards and practices in the areas of employment, career progression, work-family balance, and combating sexual harassment. CIB has passed all the necessary steps to obtain the seal, and looks forward to working on sharing our experience and the lessons learned to institutions operating in Egypt. A case study documenting CIB's journey has been produced in this respect to inspire other companies to take part in the initiative.

Bloomberg Gender Equality Index (GEI)

CIB has been listed on the 2021 **Bloomberg Gender Equality Index (GEI)**, which marks the Bank's third consecutive inclusion on the list. Upon inclusion in the Bloomberg GEI in 2019, CIB was the first Arab and African institution, and accordingly financial

institution, to be listed. The 2020 GEI featured 325 companies representing 42 countries across 50 industries with a demonstrable commitment to the global advancement of women in the workplace. CIB was also named among 230 global companies in the 2019 GEI. It is worth noting that the GEI aims to offer investors a glimpse into public companies' commitment to advancing gender equality through the measurement of five pillars: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies, and pro-women brand.

Women's Empowerment Principles (WEPS)

CIB was the first bank in Egypt to sign the **UN Women Women's Empowerment Principles (WEPS)** in 2019. WEPS include seven principles developed in 2010. They present a comprehensive framework that enables the empowerment of women in the workplace, marketplace, and community. This framework is developed from real-life business practices which concurrently leverage company commitments that adopt business practices to empower women.

Egypt's Closing Gender Gap Accelerator

As announced in February 2021, CIB is co-chairing **the World Economic Forum (WEF) Closing Gender Gap Accelerator**. The Closing Gender Gap Accelerator is a national public-private collaboration model which enables governments and businesses to take decisive actions to close economic gender gaps. The model supports public and private leaders in shaping innovative pathways to promote gender equality, diversity, inclusion and economic mobility through a three-year action plan, which is central to Egypt's reform agenda.

Highlights

- 30% OF OUR HUMAN CAPITAL ARE WOMEN
- 29% OF OUR BOARD OF DIRECTORS ARE WOMEN
- 20% OF OUR EXECUTIVE MANAGEMENT ARE WOMEN
- 28% OF 2020 NEW HIRES ARE WOMEN

¹ Sustainable Development Report 2020. Accessible at <https://dashboards.sdgindex.org/profiles/egy>

² Egyptian Ministry Establishes Equal Opportunities Unit to Ensure Gender Equality. Egypt Today. 22 Feb 2021. Available at: <https://www.egypttoday.com/Article/3/98895/Egyptian-ministry-establishes-Equal-Opportunities-Unit-to-ensure-gender-equality>

³ Value and Importance of Women's Role in Economy Evident: Al Mashat. Business Today Egypt. 26 January 2021. Available at: <https://www.businesstodayegypt.com/Article/1/183/Value-and-importance-of-women%E2%80%99s-role-in-economy-evident-Al>

⁴ Gender Equality: Empowering Women, Empowering Society. Ministry of International Cooperation, Egypt. Available at: <https://moic.gov.eg/en-US/Sectors/Index?na=55>

⁵ National Strategy for the Empowerment of Egyptian Women 2030: Vision and Pillars. Available at: <http://ncw.gov.eg/wp-content/uploads/2018/02/final-version-national-strategy-for-the-empowerment-of-egyptian-women-2030.pdf>

Extending Our Impact

CIB is fully aware that having low financial inclusion rates among women in Egypt hinders our ability to capitalize on opportunities pertaining to women in rural areas, and that low-income communities are historically the most nonincluded, unbanked segment in our society¹. Capitalizing on our long achievements and partnerships in this area, CIB extended its focus on gender empowerment to assess the impact of our lending portfolio on gender empowerment.

In 2020, 17% of the Business Banking portfolio were women-led businesses, witnessing a 20% growth rate from 2019. CIB follows the definition circulated by CBE to classify women-owned and/or led businesses, which are enterprises with a stake of at least 51% held by one woman, or more, or at least a 20% ownership/stake held by one woman, or more, and/or one woman as CEO (President/Vice-President).

As for our retail portfolio, 24% of our customers are females. 22% of credit card customers are females, with an average value per client of EGP 7,725 compared to EGP 8,604 for male clients. As for the Savings Accounts, around 30% of our clients are females with an average saving value per client of EGP 104K, compared to EGP 130K for males.

CIB supports the largest providers of microlending in Egypt, where females represent 56% of the total number of microfinance beneficiaries and 43.67% of the outstanding portfolio. The Bank also offers capacity building and financial literacy programs to women across Egypt. In December 2020, CIB whole-sale Microfinance Lending Portfolio reached EGP 1,168Mn, representing a growth of 26% compared to December 2019. By the end of 2020, the highest financed sector was the commercial sector representing 65%, followed by the agricultural sector, representing 19%, and the service and industrial sectors, representing 12% and 4% respectively.

CIB found a room for extending its gender empowerment impact to our lending portfolio crossing CIB's borders and affecting the female community and the economy in general. Accordingly, the Bank is currently engaged in business banking, retail

banking, and other stakeholders to set and announce a gender empowerment target this coming year that will further position us as a pioneer in gender equality and empowerment.

Women Targeted Products, Services and Initiatives

At CIB, we tailor our offerings to the needs of women by first utilizing our data analytics to incorporate comprehensive gender segmentation across all our products and services. Accordingly, the data findings aid our business banking departments, in addition to the other departments to meet the needs of women led/owned SMEs or businesses of all sizes, to advance business development and achieve growth.

Women in Business (WIB)

CIB has a special lending program for Women in Business (WIB). It is a subsidiary program of the Super Business Loan program but with higher approved limit and lower risk acceptance criteria to support women in business. CIB offers:

- Special lending offers
- An additional discount for partners of the Business Solution Program, which is a non-financial service program.
- Availing free mentorship sessions for our women-led business customers as exemplified in one of our partners availed 10 free mentorship sessions for our women-led businesses.
- Sponsoring events that serve women-led businesses in the banking sector, financial literacy, and business solutions.

Heya Credit Card

Heya Credit Card is a ladies-only card that gives women the opportunity to enjoy an exciting shopping experience and benefit from exclusive offers and discounts up to 40% across a wide range of selected merchants. As a Heya Credit Card holder, customers are automatically enrolled in Heya life insurance.

She's Next

CIB was the exclusive regional sponsor of **She's Next**, the global event empowered by Visa in September 2020 to support and champion women entrepreneurs, which falls in line with our business banking direction and our aim to establish our

presence in businesswomen's agenda. This sponsorship strengthens CIB's cooperation with Visa to aid women in business. "She's Next" is a global initiative that focuses on women entrepreneurs, business leaders, and small business owners, and helps global women founders re-frame their businesses and futures to become more resilient and agile. The virtual summit aimed to bring together founders from around the globe, providing educational insights, expert guidance, and tangible tools to attendees as they forge ahead into one of the most challenging years for entrepreneurs.

She Can 2020

CIB Business Banking sponsored "She Can 2020," the largest female entrepreneurship event in the MENA region. CIB Business Banking supports women in business by holding workshops and providing advice on how to best utilize banking products for women in business.

Careers for Her

CIB participated in "Career for Her" with the aim of empowering young females to develop their own talents and pursue on better career opportunities. Career for Her is the first virtual career fair in Egypt that is designed to advance women in business. The virtual conference and career fair brought together business professionals of all levels with top organizations.

Women's Empowerment Month

In celebration of Women's Empowerment Month, all women visiting CIB branches in March enjoyed zero admin fees on applications for unsecured personal loans.

Special Initiatives

CIB launched "**Women in Tech**" to create a cadre of ready-to-hire female technology graduates. The 7-week program offers young women graduates with on-the-job rotational training across multiple departments, including Information Technology, Security and Resilience Management, and Global Transactions and Digital Banking. The Bank's HR Department initiated the project where nine applicants enrolled and four were hired in our IT department after completing the program.

Early in 2020, we introduced the "**Helemek Yehemena**" initiative with the purpose of increasing female employee representation across branches. This initiative aims at encouraging women and unlocking their full potential by attracting talented calibers for vacant positions across all governorates in Egypt in partnership with different universities. The initiative helps women through short training programs that began in South Valley University in Qena. To date, more than 200 women in Upper Egypt and Port Said were reached, with the aim of further expanding the program across Egypt.

CIB also launched an **Exclusive Women Leadership Program** by Egyptian Banking Institute (EBI), specifically tailored to women at the middle and first-line management levels. It consisted of two international leadership modules on key management skills for women in the banking sector.

With the aim of raising gender awareness, CIB launched a virtual session under the theme of fighting unconscious bias towards women in the workplace. The purpose of the newly introduced session is to emphasize the role of self-awareness, drive culture of inclusion, and ensure the empowerment of women across all lines of businesses.

¹ Integrating Gender and Women's Financial Inclusion into the Central Bank of Egypt's (CBE) Framework. Alliance for Financial Inclusion. Available at: <https://www.af-i-global.org/publications/integrating-gender-and-womens-financial-inclusion-into-the-central-bank-of-egypts-cbe-framework/>

Assessing Egypt's Challenges

1. International Sources

Tracking relevant indicators for the different impact areas from the international resources provided in the Portfolio Impact Assessment tool by identifying within these sources the status of the country, as per the scoring range that has been specified in the tool: “The scoring range is from 1 to 4, with 1 representing a low level of need and 4

representing a very high level of need.” As directed by the Portfolio Impact Assessment tool, instances with more than one indicator, and therefore more than one score, should be given the highest score. In cases where more than one indicator has the same high score, we use the most recent one. The following table illustrates the indicators that we used in each impact area:

Impact Area	Indicator	Value	Year	Score
Water	Ratio of total water withdrawals to available renewable water supplies	3.07	2019	3
Food	Prevalence of obesity in the adult population	32%	2016	4
Housing	Proportion of urban population living in slums	5.2%	2018	2
Health & Sanitation	Coverage of essential services (composite index covering 14 indicators of health service)	68%	2017	3
Education	Years of schooling (composite index: mean years of adult schooling and expected years of children schooling)	0.618	2019	3
Employment	Unemployment rate	7.80%	2019	2
Energy	Proportion of population with access to electricity	100%	2017	1

Impact Area	Indicator	Value	Year	Score
Mobility	Congestion level (as a function of hours lost to traffic)	36%	2019	3
Communication & Information	Proportion of population using the internet	55.7%	2017	3
Integrity & Security of Person	INFORM - Global Risk Index	5.1	2020	3
Justice & Equality	Rule of Law Index	0.36	2019/ 2020	4
Strong Institutions, Peace & Stability	Corruption Perceptions Index	33	2021	3
Resources Efficiency/Security	Energy consumption per capita	1 toe per capita	2020	1
Climate	Climate Risk Index	102	2020	1
Waste	Recycling rate	12.5%	2018	3
Inclusive, Healthy Economies	Adults with an account at a bank or any other financial institution, or with a mobile-money-service provider (% of population aged 15 or over)	32.78%	2019	4
Economic Convergence	Social Mobility Index	44.8	2018	3

PRB Self-Assessment Template

2. National Sources

National sources were used to identify the status of specific indicators as their values were not available in the international resources. The scoring

scale provided by the tool was used as well, given that the national source uses the same indicator. The table below shows the indicators measured by national sources:National Sources

Impact Area	Indicator	Value	Year	Score	Source
Quality of Water	Proportion of bodies of water with good ambient water quality	75%	2017	2	Ministry of Environment
Air	Modeled annual mean PM 2.5	60 mg\m3	2017	4	Ministry of Environment

3. Proxy Indicators

In instances where the required indicator set for the impact area was not available in both national

and international sources, we used proxy indicators to capture the level of country need as shown in the following table:

Impact Area	Proxy Indicator	Value	Year	Score	Source
Culture & Heritage	General government expenditure on culture and religion per capita (% of GDP)	0.006	2019/2020	4 ¹	Ministry of Finance
Biodiversity & Ecosystems	Proportion of key biodiversity areas covered by protected areas	40%	2018	3 ²	Ministry of Environment
Soil	Proportion of agricultural lands lost annually as a result of encroachment, degradation, and desertification	0.4	2016/2017	1 ³	Ministry of Agriculture and Land Reclamation

¹ The score has been determined based on the government expenditure on culture and religion, which we measured as the ratio to GDP per capita and the scoring range provided in the tool.

² We track the world database of protected key biodiversity areas in more than 200 countries to support us in setting the score. As we detect that countries' values are from 0% to 100%, and the scoring range is from 1 to 4, we can assume these values for each scoring range:

- Score 1: 75% - 100%
- Score 2: 50% - 75%
- Score 3: 25% - 50%
- Score 4: <25%

³ We evaluated the land degradation status in Egypt by determining rates of degraded land areas among different countries and comparing it with our value. As the results indicated that we have a low degree of land degradation in Egypt, we can suppose that we have a low level of need.

Reporting and Self-Assessment Requirements	High-level summary of the Bank's response (limited assurance required for responses to highlighted items)	Reference(s)/link(s) to the Bank's full response/ relevant information
<p>Principle 1: Alignment</p> <p>We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement, and relevant national and regional frameworks.</p>		
1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant, the technologies financed across the main geographies in which your bank has operations or provides products and services.	<p>CIB is Egypt's leading private-sector bank. Its business model is set towards the creation of shared value to all stakeholders through utilising its resources to serve key strategic objectives, taking into consideration the internal and external factors affecting the business.</p> <p>The Bank's 7,071 employees serve an expansive network of above +1.5 million Clients including retail customers, high-net-worth (HNW) individuals, and enterprises and institutions that drive the Egyptian economy.</p> <p>CIB offers a wide range of products and services to its clients, ranging from current and saving accounts, cards, lending facilities, mortgages, as well as digital banking. In line with the national direction, CIB is also offering financial inclusion products such as Meeza Card, MSME's loans, aligning with the Central Bank of Egypt's initiative to promote the financial inclusion of women, youth, MSMEs and the unbanked.</p>	<p>Annual Report 2019: pages 6, 14-15 https://www.cibeg.com/English/InvestorRelations/FinancialInformation/Pages/AnnualReports.aspx</p> <p>Sustainability Report 2019: pages 42-64 https://www.cibeg.com/English/CIBCommunity/Corporate%20Sustainability/Pages/Sustainability-Report.aspx</p>

Reporting and Self-Assessment Requirements	High-level summary of the Bank’s response (limited assurance required for responses to highlighted items)	Reference(s)/link(s) to the Bank’s full response/ relevant information
	<p>The Bank has acquired 51% of what is to be renamed as Mayfair CIB Bank Limited in Kenya in the form of a capital increase, for a total transaction value of USD 35.35 million.</p> <p>CIB also operates two representative offices, one in Dubai and the other in Addis Ababa.</p> <p>The Bank has one fully owned subsidiary, CVentures, and two associates, Falcon Group and Fawry Plus, in which it owns stakes of 32.5% and 23.5% respectively.</p> <ul style="list-style-type: none">• CVentures is Egypt’s first corporate venture capital firm owned by a bank focused primarily on investing in category-defining companies in the field of financial services. Falcon Group is a provider of security services, cash-intransit, property management, and other general and technical services.• Fawry Plus offers agent banking financial services, including limited KYC services, the collection of documents needed for mobile wallet registration, prepaid and credit card issuance, loan issuance, and account opening, while also taking care of repaying loan and credit card dues and other payments such as utility bills, telecom bills, taxes, and fines.	
1.2 Describe how your bank has aligned and/ or is planning to align its strategy to be consistent with and contribute to society’s goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.	<p>CIB’s corporate strategy explicitly states that it seeks the integration of responsible banking principles and acknowledges environmental and social (E&S) risk management as a driver of organizational development and sustainability.</p> <p>The Board of Directors sets E&S issues high on its agenda with the commitment of advancing CIB’s governance structure to ensure the incorporation of ESG factors into the Bank’s policies, procedures, and operations.</p> <p>CIB revised its sustainable finance policy statement, highlighting its approach to sustainable finance and the Bank’s commitment to assessing its ESG impacts, managing risks, and advancing its financial services to promote sustainable development. This policy sets the road to aligning its day-to-day operations with UNSDGs, Egypt Vision 2030, and the Central Bank of Egypt’s strategic direction.</p> <p>Internally, the Bank has provided a thorough sustainability training to different bank departments in an effort to increase their knowledge base of global and national sustainability trends, raise awareness of the importance of sustainable finance, and most importantly, empower them to align their business activities with the Bank’s set targets towards achieving sustainable development.</p>	<p>Sustainable Finance Policy Statement: page 10</p> <p>Sustainable Finance Policy: page 11</p> <p>Promoting Internal Alignment: page 14</p> <p>Annual Report: page 38,39</p> <p>https://www.cibeg.com/English/InvestorRelations/FinancialInformation/Pages/AnnualReports.aspx</p>

Reporting and Self-Assessment Requirements	High-level summary of the Bank’s response (limited assurance required for responses to highlighted items)	Reference(s)/link(s) to the Bank’s full response/ relevant information
<p>Principle 2: Impact and Target Setting</p> <p>We will continuously increase our positive impacts while reducing the negative impacts, and manage the risks resulting from our activities, products and services that affect people and the environment. To this end, we will set and publish targets where we can have the most significant impact.</p>		
<p>2.1 Impact Analysis:</p> <p>Show that your bank has identified the areas where it has the most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <p>a. <u>Scope</u>: The bank’s core business areas, products/services across the main geographies that the bank operates in as per 1.1., and have been considered in the scope of the analysis.</p> <p>b. <u>Scale of Exposure</u>: In identifying its areas of most significant impact, the bank has considered where its core business/ major activities lie in terms of industries, technologies, and</p> <p>c. <u>Context & Relevance</u>: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions where it operates.</p> <p>d. <u>Scale and Intensity/ Salience of Impact</u>: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic, and</p>	<p>CIB performed an impact assessment on the Bank’s business banking portfolio. At this stage, the Bank has not performed an impact assessment on its corporate, retail, or investment portfolio. CIB is currently working on its portfolio segmentations and data availability to be able to perform the full-fledged exercise of impact assessment properly.</p> <p>CIB performed the impact assessment on its business banking portfolio constituting around 4.5% of CIB’s Gross Income. The business banking portfolio is well segmented into industries, sectors, and subsectors, which were mapped thoroughly with the ISIC classification to capture the scale of exposure in terms of industries, technologies, and geographies. The top 5 sectors in our business banking portfolio are construction, wholesale trade, retail trade, logistics, and education.</p> <p>CIB performed its impact analysis on Egypt as it constitutes 100% of its operation. The Bank has consulted and engaged with economic, social, and environmental experts to identify and highlight Egypt’s challenges and focus area. The identified areas of highest impacts were quality of water, quality of air, waste, availability of food, inclusive societies, and economic convergence.</p> <p>Based on this, CIB has identified its areas of significant negative impact to be waste and climate, as it is caused by the financing of the construction, crop, and animal production, logistics, and manufacturing of paper and paper products. As for the positive impacts that were identified, our BB portfolio positively leads to inclusive healthy economies and employment. This is primarily due to the nature of the SMEs leading to economic value creation and labor opportunities. Moreover, CIB BB finances education, service institutions, and construction of infrastructure projects, providing fair access to economic and labor opportunities. Construction, crop, and animal production are also a main employer in the Egyptian market.</p> <p>CIB acknowledges the existence of data gaps in having quantitative KPIs to identify its performance in terms of the identified areas of impact. There is also a lack of data regarding peer benchmarking. Accordingly, CIB identifies its performance by drawing qualitative connections utilizing the available data on national policy direction and aggregate data.</p>	<p>Our Impacts Unravelled: page 20</p>

Reporting and Self-Assessment Requirements	High-level summary of the Bank’s response (limited assurance required for responses to highlighted items)	Reference(s)/link(s) to the Bank’s full response/ relevant information
<p>environmental impacts resulting from the bank’s activities and provision of products and services.</p> <p>(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</p> <p>Show that building on this analysis, the bank has:</p> <ul style="list-style-type: none">• Identified and disclosed its areas of most significant (potential) positive and negative impact• Identified strategic business opportunities in relation to the increase of positive impacts/reduction of negative impacts	<p>In addition to this, CIB has examined its retail and business banking portfolios in terms of its impact on gender empowerment. The Bank has identified several metrics which captured the extent its retail portfolio and business banking portfolio affect gender empowerment. CIB has taken into consideration the scope, scale of exposure, salience/intensity, and context and relevance in assessing their impact on this area, and accordingly identified its performance level on qualitative basis.</p>	
Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.		
CIB has undertaken a holistic impact assessment on its business banking portfolio highlighting its significant areas of impact as waste and climate. The retail portfolio has been also assessed in terms of its impact on gender equality. CIB will extend its impact analysis to the remaining business lines, and define the Bank’s significant areas of impacts accordingly.		
<p>2.2 Target Setting:</p> <p>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified “areas of most significant impact,” resulting from the bank’s activities and provision of products and services.</p>	<p>CIB is currently engaged in completing the holistic impact assessment of its portfolio, and will set targets accordingly.</p> <p>CIB is currently engaged with the Retail and Business Banking Departments to set a target for gender empowerment that will be announced in the near future.</p> <p>The achievement of this target directly contributes to SDG goal 5 Gender Equality and aligns with Goal 2 Equity and Inclusion in Egypt Vision 2030.</p>	

Reporting and Self-Assessment Requirements	High-level summary of the Bank’s response (limited assurance required for responses to highlighted items)	Reference(s)/link(s) to the Bank’s full response/ relevant information
<p>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/ society’s goals and that it has set out relevant actions to mitigate those as far as possible to maximize the net positive impact of the set targets.</p>		
Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Target Setting.		
CIB will set SMART Targets in the foreseeable future.		
<p>2.3 Plans for Target Implementation and Monitoring</p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets.</p>	<p>CIB will define a plan for target implementation as soon as we are done with target setting.</p>	

Reporting and Self-Assessment Requirements	High-level summary of the Bank’s response (limited assurance required for responses to highlighted items)	Reference(s)/link(s) to the Bank’s full response/ relevant information
Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.		
Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.		
CIB will set implementation plans and procedures for the monitoring and evaluation of these targets once set.		
2.4 Progress on Implementing Targets For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target. Or explain why actions could not be implemented/needed to be changed and how your bank is adapting its plan to meet its set target. Report on your bank’s progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in (where feasible and appropriate, banks should include quantitative disclosures).	CIB is currently engaged in target setting; accordingly, progress will be reported in the next reporting period.	
Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets		
CIB is currently engaged in target setting; accordingly, progress will be reported in the coming reporting period.		

Reporting and Self-Assessment Requirements	High-level summary of the Bank’s response (limited assurance required for responses to highlighted items)	Reference(s)/link(s) to the Bank’s full response/ relevant information
Principle 3: Clients and Customers We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.		
3.1 Provide an overview of the policies and practices your bank has in place and/ or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.	<p>A main pillar of our corporate strategy is customer experience, which is heavily reliant on building strong relationships with our customers and promoting responsible relationships to be able to create long-term value as both a leading financial institution and significant player in our society.</p> <p>CIB works diligently to enforce high standards of conduct as we continue to improve our culture, governance framework, our conflict-of-interest policy, whistle blowing policy, data privacy, and accountability mechanisms to help enhance customer outcomes.</p> <p>Our responsible relation with our clients is maintained through upholding the highest standards of responsible communication. The Bank has in place a marketing and communication policy and standard operating procedures that ensure communicating in an ethical, clear and transparent manner to all internal and external stakeholders. It also ensures complying with the necessary regulatory laws and regulations.</p> <p>In addition, CIB handles customer complaints effectively, through iOwn, a service dedicated to managing customer complaints. Through this service, employees are equipped with tools to handle customer complaints using best practices. The program was customized with different versions to serve various types of frontlines, with the aim to enhance the CIB customer experience journey.</p>	<p>CIB Code of Conduct https://www.cibeg.com/English/Personal/Accounts/Documents/CIB%20-%20Code%20of%20Conduct%202019.pdf</p> <p>Our Customer Experience Journey: Sustainability Report 2019: pages 80-81 https://www.cibeg.com/English/InvestorRelations/NewsGovernanceAndResearch/Documents/CIB%20SR%2019.pdf</p> <p>Spearheading Sustainable Finance: page 12</p>
3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/ implemented, products and services developed, and, where possible, the impacts achieved.	<p>In line with CIB’s commitment towards advancing sustainable finance and empowering and enabling clients towards more sustainable economic activities, CIB took solid steps in issuing Egypt’s first Green Bond in 2020 as the latest addition to a suite of environmentally beneficial products to leverage capital market fixed income instruments, fund adaptation, and mitigation measures. The bonds’ proceeds will observe UN Sustainable Development Goals (SDGs) number 6, 7, 9, 11, and 13, which fall within the materiality of CIB.</p> <p>Over the past 18+ months, CIB has provided several services and products that have encouraged its corporate, retail, and SMEs customers to adopt sustainable practices and businesses, such as:</p> <ul style="list-style-type: none">For our retail customers, CIB offers a solar loan with special financing for purchasing and installing solar panels.	<p>Spearheading Sustainable Finance: page 12</p>

Reporting and Self-Assessment Requirements	High-level summary of the Bank’s response (limited assurance required for responses to highlighted items)	Reference(s)/link(s) to the Bank’s full response/ relevant information
	<ul style="list-style-type: none">CIB Green Credit Line offers corporates a CIB funded loan at a preferential interest rate focused on energy efficiency and renewable energy, as well as all projects that provide evidence of positive environmental impact.Our support to Business Banking clients is not only limited to the provision of financial services, but also providing SMEs with the partnerships that helps them grow in a sustainable manner. In 2020, CIB launched a series of virtual webinars ‘Growing Together’ in partnership with CIB’s Business Solutions Program offering business consultancy services to our customers at discounted prices and connecting them with partners from different sectors. <p>In addition to the above, the Bank is developing a training module targeting its clients with the objective to raise their awareness on sustainability and develop synergies that empower them to adopt more sustainable economic activities.</p>	
Principle 4: Stakeholders We will proactively and responsibly consult, engage, and partner with relevant stakeholders to achieve society’s goals.		
4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these principles and improving your bank’s impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.	<p>At CIB, we regularly consult with policy-makers in government and regulatory bodies such as the Central Bank of Egypt, Egyptian Stock Exchange, among others, as well as forming partnerships with non-profit organizations. We have engaged through quarterly and periodic meetings, daily and periodic emails, and direct communications with the CBE’s departments and investor relations team to discuss our assessment of the most relevant challenges and priorities related to sustainable development in Egypt. Financial inclusion and financial literacy were reiterated and shared by both stakeholders.</p> <p>2020 witnessed several partnerships with different stakeholders aiming at mobilizing efforts towards achieving positive social and environmental impact.</p> <ul style="list-style-type: none">CIB is co-chairing the World Economic Forum (WEF) Closing Gender Gap. Egypt’s Ministry of International Cooperation, the National Council for Women (NCW), and the World Economic Forum (WEF) have launched the ‘Closing the Gender Gap Accelerator’, a national public-private collaboration model which enables governments and businesses to take decisive action to close economic gender gaps.	<p>Stakeholder Partnerships: page 15</p> <p>Our Impact Unravelled - Gender Empowerment: page 24</p> <p>Spearheading Sustainable Finance: page 12</p> <p>Stakeholder Engagement: Sustainability Report 2019: pages 24-25 https://www.cibeg.com/English/InvestorRelations/NewsGovernanceAndResearch/Documents/CIB%20SR%2019.pdf</p>

Reporting and Self-Assessment Requirements	High-level summary of the Bank’s response (limited assurance required for responses to highlighted items)	Reference(s)/link(s) to the Bank’s full response/ relevant information
	<ul style="list-style-type: none">CIB has been selected in the “Egyptian Gender Equity Seal” supported by the government, represented by the National Council for Women and the World Bank to provide the best quality standards and good practices in the areas of employment, career progression, work-family balance, and combating sexual harassment.CIB acted as an agent bank managing several programs under the Agriculture Development Program in partnership with the Ministry of Agriculture and Land Reclamation. Projects entailed in this program included sustainable agriculture investment and livelihood project, support for agriculture SMEs, and promotion of rural income through market enhancement, among others.CIB joined the Egyptian Pollution Abatement (EPAP III) in partnership with the Egyptian Environmental Affairs Agency (EEAA) as a participating bank, with the objective of promoting improvements and/or expansions of existing projects with an environmental impact, in addition to a partnership program with the Environmental Compliance Office (ECO) promoting environmental commitment of industry.	
Principle 5: Governance and Culture We will implement our commitment to these principles through effective governance and a culture of responsible banking		
5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the principles.	<p>In 2020, CIB enhanced its sustainability governance framework that entailed the Bank’s commitment to ensuring effective implementation of the principles for responsible banking.</p> <p>The Bank has launched its sustainable finance policy and revised its Sustainable Finance Policy Statement, committing itself to managing its environmental and social risks, and assessing its E&S direct and indirect impacts, and mitigating their negative impacts while increasing their positive impacts.</p> <p>We have ensured board commitment and alignment through the newly formed Sustainable Finance Steering Committee (SFSC). We have maintained accountability of our governance structure through the appointment of a Chief Sustainability Officer who is held accountable towards the achievement of sustainable finance targets, and is heading the Sustainable Finance Department. We have also ensured the effectiveness of the governance system and implementation of the PRB through the creation of a sustainability strategic network of focal points to provide interlinkages between the sustainable finance department and other bank departments, ensure the achievement of targets and maintain accountability and transparency in reporting.</p>	<p>A Sound and Effective Governance: page 9</p> <p>CIB Governance Structure https://www.cibeg.com/English/AboutCIB/Pages/CIBCorporateGovernance.aspx</p>

Reporting and Self-Assessment Requirements	High-level summary of the Bank’s response (limited assurance required for responses to highlighted items)	Reference(s)/link(s) to the Bank’s full response/ relevant information
5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures, performance management, and leadership communication, amongst others.	<p>CIB has performed a tailored sustainability training to different departments, including risk, corporate, retail, business banking, and strategy. The purpose of this training was to raise awareness of sustainable finance, the international frameworks CIB is a supporter of, and most importantly, what sustainability means for each department.</p> <p>CIB has utilised its internal communication CIB Roundup weekly newsletter and added a new sustainable finance section to shed light on CIB’s sustainability updates, news, performance, and achievements as well as national and global sustainability related topics.</p> <p>The Bank has also leveraged the celebration of 5 Year Sustainability Reporting to launch an internal competition for employees. This provided an opportunity to connect and engage with CIB employees and introduce the concept of sustainability and its various aspects indirectly while ensuring their commitment to the environmental and social dimensions.</p>	Spearheading Sustainable Finance: page 12
5.3 Governance Structure for Implementation of the Principles	<p>Empowered by our sustainability governance framework, described in 5.1, the Bank is committed to setting targets, but not in this progress report.</p> <p>The Bank will look into the impact assessment exercise of the full bank portfolio. Accordingly, we will develop the procedure for target setting, implementation, monitoring and evaluation, and remedial action in cases where our progress towards their achievement is slow or needs to be revisited.</p>	
Please provide your bank’s conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.		
<p>Along with the governance restructuring that has taken place the past year, CIB is currently undergoing a review of its existing ESG policies and procedures. Accordingly, new ESG policies are to be updated and integrated to ensure coherence and alignment with sustainable finance policy and governance structure, as well as the implementation of the principles for responsible banking.</p> <p>On the front of fostering responsible banking culture, CIB has undertaken several capacity building trainings for bank employees, and is setting a comprehensive capacity building plan to increase awareness and technical expertise of its employees in various business functions and status level, starting from the induction training process of new employees, to specialized training sessions for certain departments.</p>		

Reporting and Self-Assessment Requirements	High-level summary of the Bank’s response (limited assurance required for responses to highlighted items)	Reference(s)/link(s) to the Bank’s full response/ relevant information
Principle 6: Transparency and Accountability We will periodically review our individual and collective implementation of these principles and be transparent about and accountable for our positive and negative impacts and our contribution to society’s goals.		
6.1 Progress on Implementing the Principles for Responsible Banking	<p>Adopting the principles for responsible banking signifies not only a commitment by CIB as a major player in the financial industry in Egypt to society’s goals, but it also reflects CIB’s universal commitment to the global society and our planet.</p> <p>Over the past 18+ months, CIB has been working diligently internally with all bank departments and board of directors, and externally with its clients and stakeholders, to advance towards responsible banking and enhance its business model where sustainability practices are improved and adopted.</p> <p>CIB has studied existing and emerging good practices regarding the implementation of the six PRB principles as reflected in published reports on UNEPFI website, webinars, and guidelines.</p> <p>The progress CIB made this year against PRB is illustrated in the aforementioned report. Nonetheless, the highlights of our steps in the last 18 months against each of the principles are as follows:</p> <p>1. Alignment</p> <p>Our BOD sets E&S issues, in context of Egypt’s national priorities, high on its agenda with the commitment of advancing CIB’s governance structure to ensure the incorporation of ESG factors into the bank’s policies, procedures, and operations.</p> <p>2. Impact and Target Setting</p> <p>As we extend the portfolio impact assessment to the remaining business lines, we will set smart targets in the foreseeable future. These targets will contribute to achieving Egypt 2030 vision as well as African Agenda 2063, so that we as a leading bank will have positively contributed to the national and regional development of our society as a whole. We are currently working with our business lines to enhance the data collection process and portfolio segmentation to enable us to extend our impact analysis to include corporate, retail, and investment banking in the following reporting period. We are engaging with retail and business banking to finalize a target for gender empowerment.</p> <p>3. Clients and Customers</p> <p>CIB’s issuance of Egypt’s first green bond is the latest of its environmentally beneficial products. This signals CIB’s success in leveraging capital market fixed income instruments,</p>	

Reporting and Self-Assessment Requirements	High-level summary of the Bank's response (limited assurance required for responses to highlighted items)	Reference(s)/link(s) to the Bank's full response/relevant information
	<p>fund adaptation and mitigation measures in promoting and adopting PRB. The bond's proceeds will observe several SDGs, especially number 6, 7, 9, 11, and 13, which fall within the materiality of CIB.</p> <p>4. Stakeholders</p> <p>CIB is currently revisiting and assessing its existing partnerships, and establishing new ones in an effort to collaborate with stakeholders to increase the organizations positive impacts and mitigate its negative impacts in light of the portfolio impact assessment results and targets.</p> <p>5. Governance and Culture</p> <p>The Bank has a dedicated Sustainable Finance Steering Committee (SFSC) and a Chief Sustainability Officer. The CSO is responsible for the achievement of sustainable finance targets, and is heading the Sustainable Finance Department.</p> <p>6. Transparency and Accountability</p> <p>Our Board and SFSC Committee are regularly updated on our progress regarding the implementation of the requirements of the PRB.</p>	
Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking		
This is our first year of reporting against our implementation of the Principles for Responsible Banking. CIB has always strived to achieve the highest standards in its commitments on all fronts as Egypt's leading private bank, and as Egypt's leading responsible bank in the foreseeable future. We can claim that CIB is on the right track as evident in this report and will continue to work on its further alignment in the coming years.		

External Assurance



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Independent Assurance Statement

**To the Board of Directors
Commercial International Bank**

Introduction
Dcarbon is a National Sustainability and Environmental Consultancy firm registered under the Egyptian law no. 159 for the year 1981 and its executive regulation. Dcarbon is member and partner with multiple global establishments in the field of Corporate Sustainability. We are a certified training partner to the Global Reporting Initiative (GRI), a GRI Gold Community member, and a supporter to the TCFD. We assist organizations, public and private, in understanding and addressing their economic, environmental, and social impact.

DCarbon was engaged by the **Commercial International Bank (CIB)** to perform limited assurance on selected responses within the Bank's Principles for Responsible Banking (PRB) Self-Assessment Template for the period ending February 28th, 2021.

Assurance Scope
According to the UNEP FI PRB reporting and self-assessment guidelines, limited assurance is required on selected responses to CIB's PRB Self-Assessment Template as presented in the six areas defined in the table below.

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

- a) **Scope:** The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.
- b) **Scale of Exposure:** In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.
- c) **Context & Relevance:** Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.
- d) **Scale and intensity/salience of impact:** In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))

Show that building on this analysis, the bank has

- Identified and disclosed its areas of most significant (potential) positive and negative impact
- Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts





2.2 Target Setting

Show that the bank has set and published a minimum of two **Specific, Measurable** (can be qualitative or quantitative), **Achievable, Relevant and Time-bound (SMART)** targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.

Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.

Show that the bank has analyzed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society’s goals and that it has set out relevant actions

2.3 Plans for Target Implementation and Monitoring

Show that your bank has defined actions and milestones to meet the set targets.

Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.

2.4 Progress on Implementing Targets

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.

Report on your bank’s progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures

5.3 Governance Structure for implementation of the principles

Show that your bank has a governance structure in place for the implementation of the PRB, including:

- target-setting and actions to achieve targets set
- remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.



6.1 Progress on Implementing the Principles for Responsible Banking

Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).

Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.

Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.

CIB is responsible for the responses provided in the Assured PRB Self-Assessment Template, and for all information provided in this PRB progress Report.

Assurance scope exclusions:

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

Assurance Procedures:

The following procedures and activities were followed to grant limited assurance on CIB’s responses to Self- Assessment Template:

- Determining whether the PRB framework is being applied correctly in relation to the Assured PRB Self-Assessment Responses.
- Engaging with CIB employees to explain and clarify the governance structure and relevant reporting procedures used to prepare the Bank high-level summary responses to the PRB Assured Self Assessment Template.
- Review of process used for data collection and reporting where applicable and/or available.
- Review of this first progress report titled “Towards an Impact Driven Approach” to ensure it’s in line with our overall understanding of the assurance engagement.

Conclusion

We have reviewed the selected responses in the PRB Self-Assessment Template 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 evidences received, in our opinion, the **Commercial International Bank** has complied, in all material respects, with the UNEP Finance Initiative’s Principles for Responsible Banking framework for the period ended 28th, February 2021.

Amira El Marsafawy

Amira El Marsafawy, M.A.
VP for Sustainable Finance

DR. Ehab Shalaby

Ehab Shalaby, Ph.D.
Chairman & CEO

