



# Environmental, Social and Governance (ESG)

1Q 2023





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**ABOUT CIB**



# ABOUT CIB

## VISION



To be at the forefront of change, building for the future, and turning aspirations into reality.

## MISSION



To transform traditional financial services into simple and accessible solutions by investing in people, data, and digitalization to serve tomorrow's needs today

**VALUES** | OUR VISION & MISSION drive the values we aspire to create.

Putting our **customers first**, we lead the market with **agility** and **integrity**

## KEY FACTS\*



**210**

Branches



**+7600**

Employees



**EGP 32.9** Billion

Revenues



**+1.9**

million clients



**1,307**

ATMs



**EGP 90.76** Billion

Average Market Cap



# OUR STRATEGY

## TODAY

## TOMORROW

### Financial Performance

- ❑ Quality loan growth, with focus on increasing product penetration and SoW
- ❑ Deposit growth, particularly from households clients
- ❑ Transactional banking services

- 🌐 Upscaling CIB Kenya's operations to cement the bank's position as trade finance hub for Egypt & Africa
- 🌐 Focus on SMEs & underpenetrated retail banking segments with more efforts exerted to promote financial inclusion
- 🌐 Diversifying our lending portfolio towards sectors of the future

### Customer Centricity

- ❑ Adopting a customer-relationship model
- ❑ Offering bundled financial solutions and value-added services
- ❑ Undertaking several service quality initiatives to improve customer satisfaction

- 🌐 Deepen understanding of customer behavior through data analytics
- 🌐 Adding granularity to customer segments for a behavioral and lifestyle approach
- 🌐 Development of need-based bundled value propositions
- 🌐 Serving Non-Resident Egyptians with focus on the GCC region

### Operational Efficiency

- ❑ Centralization of operations
- ❑ Automation and process re-engineering
- ❑ Digital Adoption

- 🌐 Focus on operational efficiency, optimization, automation and productivity gains
- 🌐 Digitalizing the banking and branch experience and work towards relying on Robotics Process Automation (RPA) and operations centralization to increase efficiency and reduce the cost to serve
- 🌐 Enforcing advanced business continuity, and security management best practices including cyber security

### Responsible Banking

- ❑ Focus on learning and development
- ❑ Reduction in our ecological footprint
- ❑ Adoption of corporate governance best practices and solid CSR strategy

- 🌐 Implementing a social and environmental management system
- 🌐 Continue to advocate Responsible Banking through driving financial inclusion and literacy, women and youth empowerment and equality
- 🌐 Become Egypt's number 1 "Green Bank"
- 🌐 Development in human capital and alignment to accommodate with the digital transformation



# AWARDS & RECOGNITION



<https://www.cibeg.com/English/AboutCIB/Pages/Awards.aspx>





**ESG**







## OUR APPROACH



“CIB has long understood the importance of fostering a sustainable development transition in Egypt and has remained ahead of the curve when it comes to sustainable finance.” **Sherif Samy, Chairman of the Board.**



“As Egypt’s leading private sector bank, we are keenly aware of the role we play in steering the industry toward sustainable business strategies and disclosure practices.” **Hussein Abaza, CEO and Managing Director**

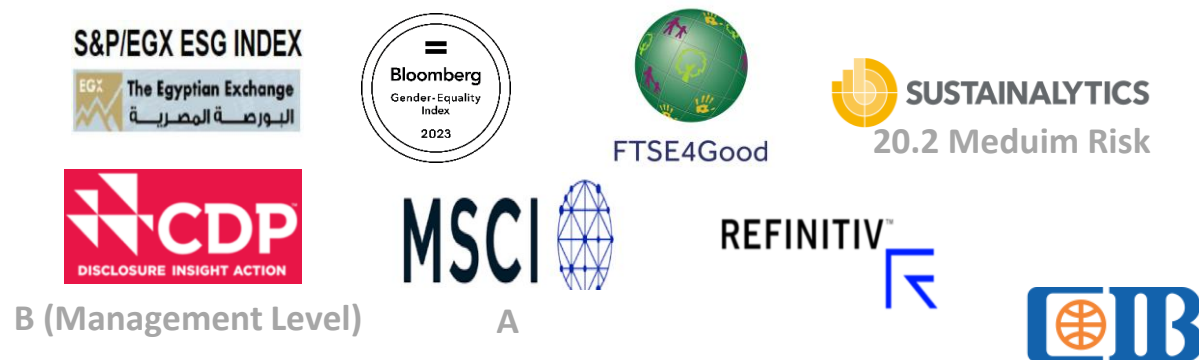


“At the Board and Senior Management level, the clear mandate is to enact a system transformation, integrating and weaving sustainability and ESG into the fabric of everything we do and creating the proper structure to ensure the Bank’s positive impact on inclusive growth.” **Dalia AbdelKader, Chief Sustainability Officer**

## International Standards and Guidelines



## Recognition and Ratings



The integration of sustainability into CIB's core operation starts at the highest level with signoff from the bank's Board of Directors who are committed to advancing the bank's governance structures to ensure the integration of ESG into the bank's policies and culture.

## 1. Board Sustainability Committee

Acts on behalf of the Board in overseeing all sustainability-related efforts and supports the integration of environmental, social and governance (ESG) aspects across the Bank to generate value for all stakeholders.

## 2. Sustainable Finance Steering Committee

A cross-functional committee that includes Board and Executive Management representation, with a mission to establish, guide, empower and monitor the Sustainable Finance department, in line with CIB's business needs.

## 3. Sustainable Finance Department

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.

## 4. Sustainability Strategic Network

A cross-functional, multi-stakeholder organizational structure that includes key representatives from across the Bank, linking functions and departments together. It ensures an inclusive and participatory approach to embed sustainability within CIB.

## Sustainable Finance Policy

CIB's Sustainable Finance Policy defines and sets comprehensive framework that translates the Bank's ESG commitments into achieving long-term value creation for all stakeholders and instilling a governance framework to monitor proper implementation.

It was developed in alignment with national, regional, and international agreements, goals, and standards concerning sustainability (E&S Risk Management, Sustainable Finance, and Operational Footprint).

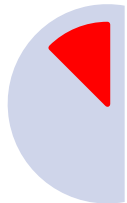
CIB's Sustainable Finance Policy is applicable to all the Bank's departments, functions, and lines of business. It provides guidance to all internal stakeholders who are responsible for aligning with the requirements of this policy in their respective areas of responsibility.

# OUR SUSTAINABILITY JOURNEY





# ESG STRATEGY



## Risk Management

A dynamic and progressive risk approach in terms of understanding and addressing the environmental, social, climate and evolving non-traditional risks of its portfolio as well as the emerging systemic risks.



## Revenue Generation

Advancing inclusive growth; contributing to the development of Egypt's Sustainable Development while improving the Bank's opportunities to capture new ESG opportunities and scale market penetration.



## Reputation

Focusing on flagship initiatives and thought leadership to advance the transformation of the financial industry through sustainability advocacy, sustainable finance education and ESG data.



## Ecological Footprint

The strategy sets an ambitious target of becoming a Climate Positive and Carbon Neutral Bank by 2050. It purports to reduce the negative environmental impacts of its operations, supply chain, and lending portfolio.



# OUR PATH TO NET-ZERO





# OUR PATH TO NET-ZERO

CIB is a founding member of the Net-Zero Banking Alliance (NZBA). In 2022, CIB published its first NZBA Report, identifying the Bank's **three main carbon intensive sectors**, with the purpose of identifying a baseline.

## Our Approach



### Communicating Our Commitments Towards Net-Zero Emissions

We commit to align our portfolios with the goals of the Paris Agreement and set portfolio GHG reduction targets in line with the NZBA and the SBTi.



### Reducing Our Environmental Impact

We aim to reduce the GHG emissions associated with our operations and business activities through promoting resource efficiency and increasing the share of electricity sourced from renewable sources.



### Environmental & Social Risk Management (ESRM) in the Risk Assessment Framework

In line with the Bank's Sustainable Finance Policy, CIB's ESRM framework integrates Environmental and Social Credit Risk Assessment into its business processes. This occurs in a set of actions that is implemented concurrently with CIB's risk management procedures, according to international best practices.



### Supporting the Transition to a Low-Carbon Economy

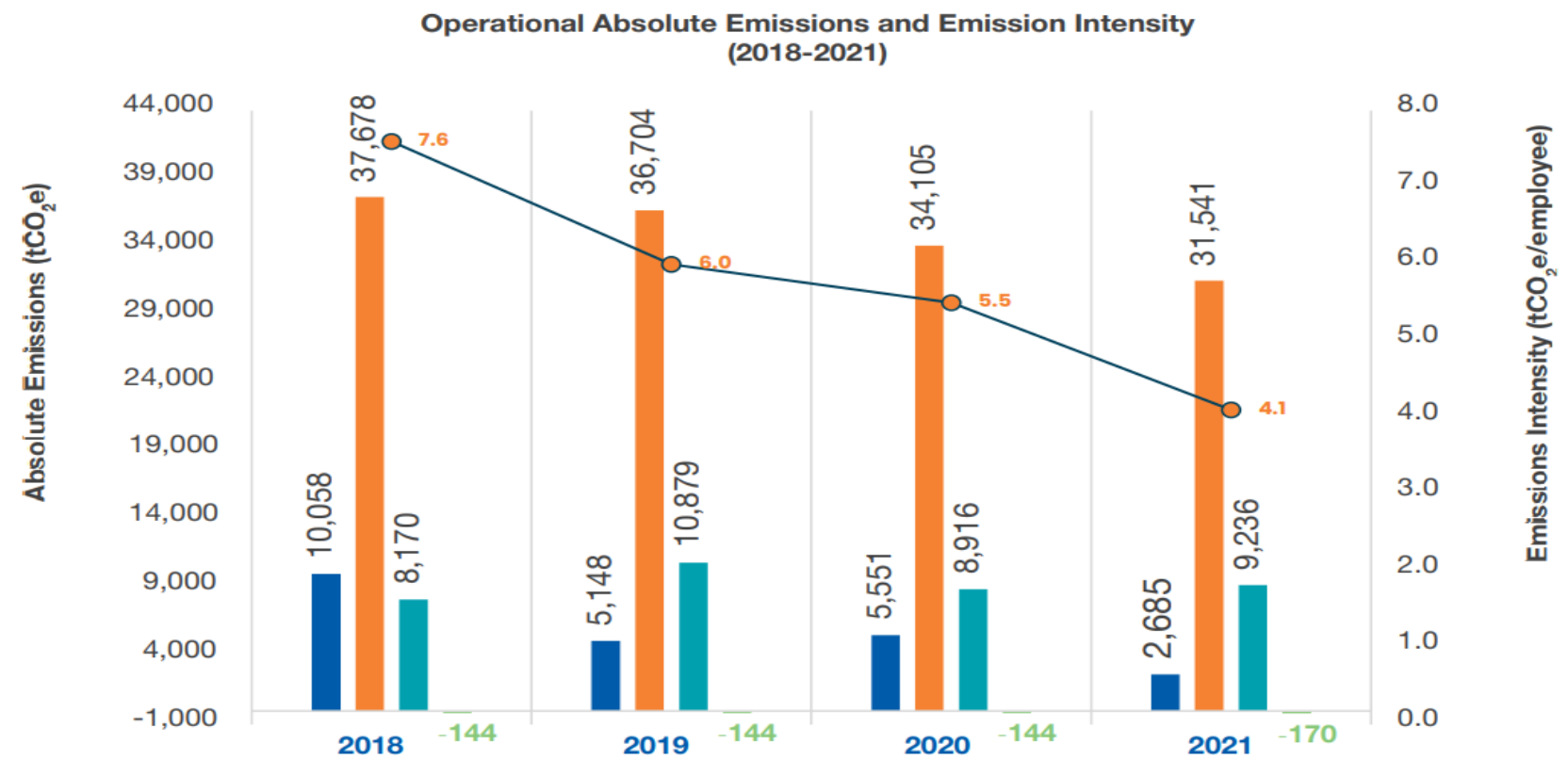
We work to help our clients transition to low carbon solutions and operations through facilitated loans, grants, and technical assistance.





# OUR OWN OPERATIONS

CIB has been reporting on, managing and continuously seeking opportunities to reduce its operational emissions since 2018. CIB has been reducing its carbon emissions intensity per employee during the past four years, reaching a **46%** decrease in 2021 from the 2018 baseline.







## OUR OWN OPERATIONS

CIB has set a **decarbonization action plan** for our operational GHG emissions reductions



Sustainable supply chain management



Reporting and managing of financed emissions investments



Monitoring & control of energy consumption in facilities



Renewable energy



Digital sustainability management tool



Cib's bank statement project



Sustainable bags and packaging materials alternatives



Corporate-wide solid waste management system

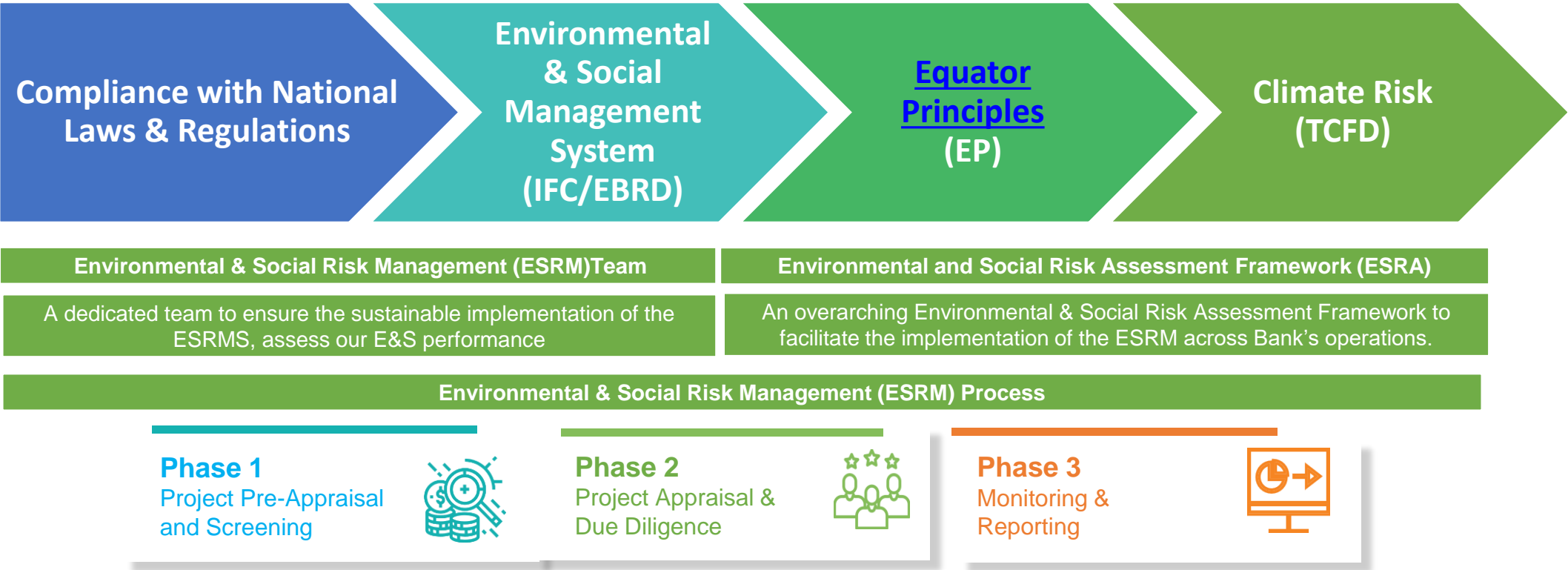






# ENVIRONMENTAL, SOCIAL & CLIMATE RISK

CIB has had a robust **Environmental and Social Risk Management System (ESRM)** in place since 2016, which positions the Bank as the leader in sustainable finance in the Egyptian market and provides clients with the necessary tools and products to aid their transition to a more responsibly profitable economic model.





# CLIMATE FINANCE

Our clients benefit from increased energy performance, reduced environmental impact, and technical support in technology selection and project assessment

Energy Efficiency



Renewable Energy



Sustainable Transport



Non-energy GHG Reduction  
Energy Management Systems



Green Buildings



Energy Management Systems



Waste and Water Efficiency

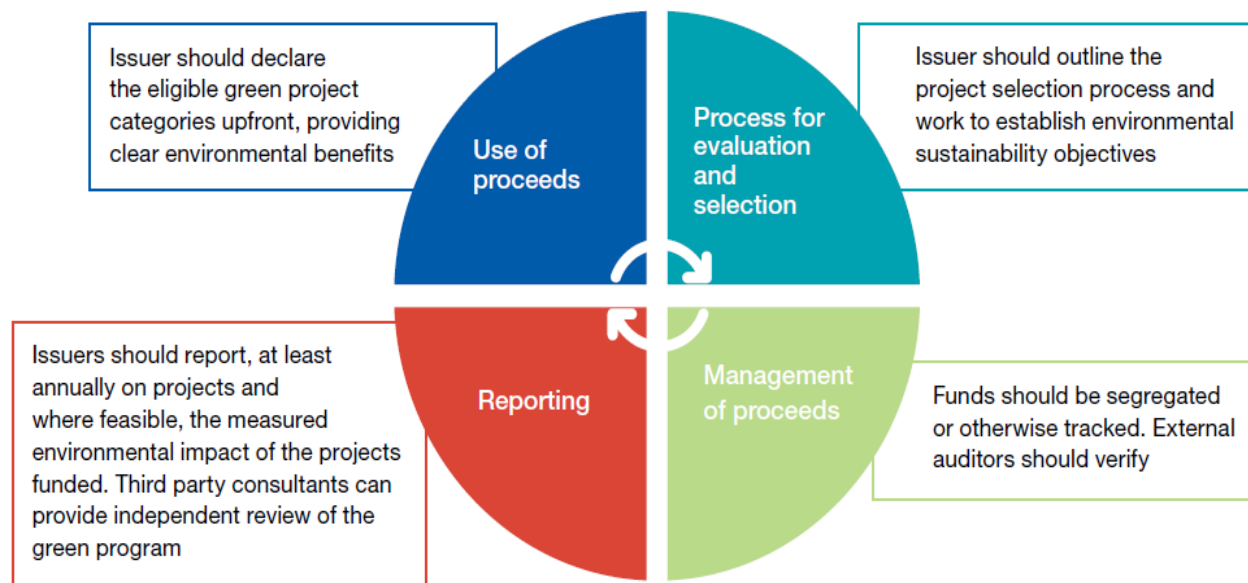




## CLIMATE FINANCE

CIB is constantly seeking innovative sustainable solutions to battle climate change. Among our major achievements, CIB issued Egypt's first ever green bond, valued at USD 100 million.

### CIB was awarded Best Green Bond in Africa in 2021 by EMEA Finance!



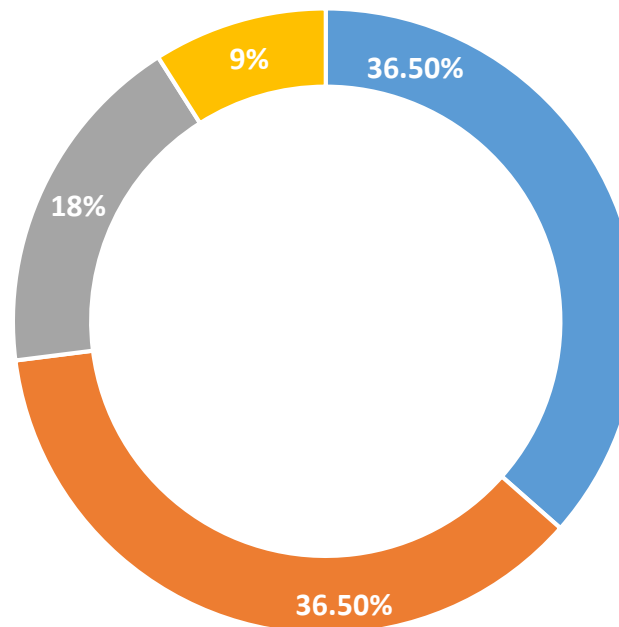
- CIB's Green Bond Framework meets the highest standards on transparency and disclosure, and aligns with the ICMA Green Bond Principles (GBP).
- 150% of the Green Bond was utilized as of September 2022.



## CLIMATE FINANCE

In 2021, CIB has been actively investing in various corporate sustainable projects with environmental and social impacts.

The estimated annual impact of the use of proceeds is the reduction of GHG emissions by more than 2,884 tons CO<sub>2</sub>/yr and the treatment of more than 12,775,000 m<sup>3</sup>/yr of water, which improved the health and wellbeing of habitants in the surrounding environment

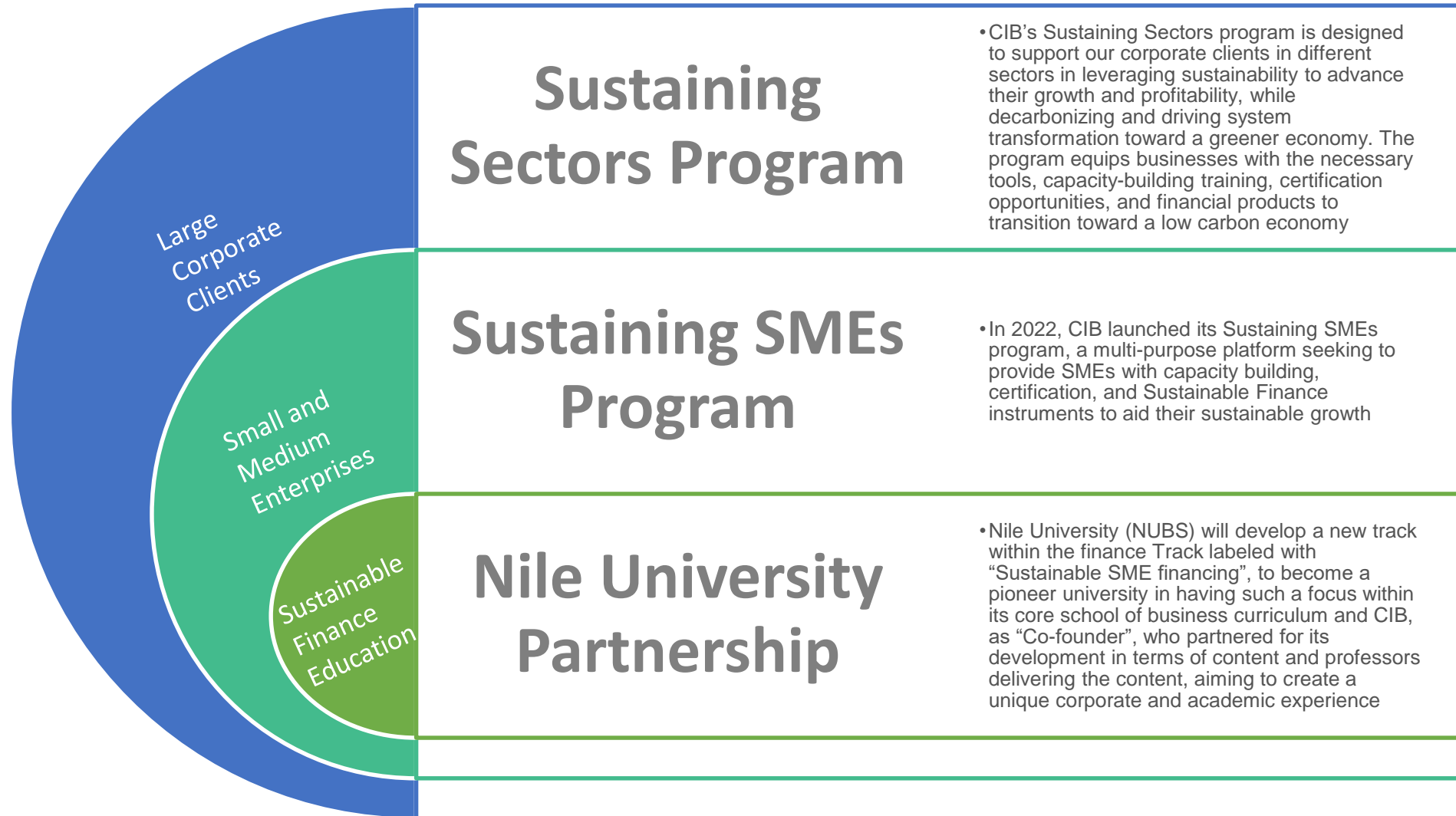


■ Energy Efficiency ■ Special Climate ■ Adaptation ■ Green Building



## BEYOND FUNDING

We work with all stakeholders to promote sustainable and responsible practices in the financial sector





# DIVERSITY AND INCLUSION





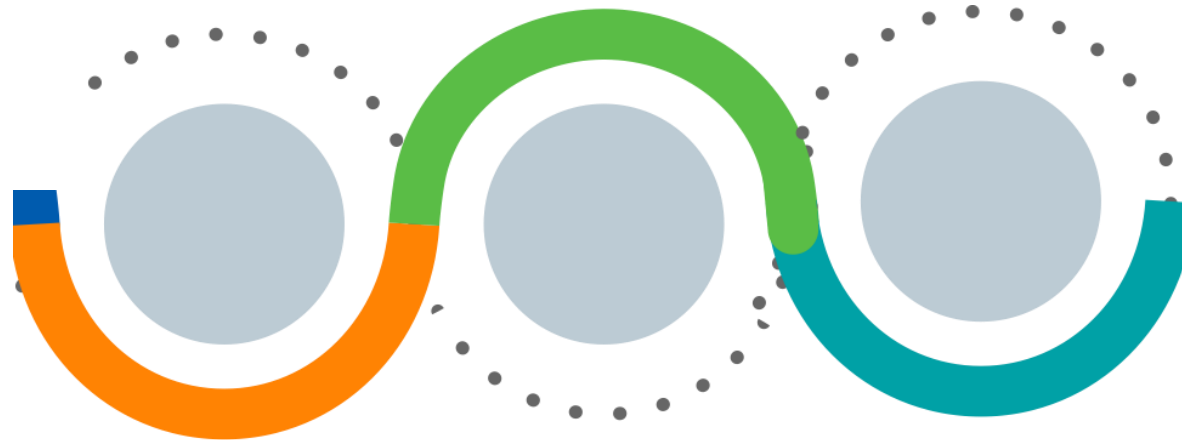


# CIB FINANCIAL INCLUSION & ECONOMIC EMPOWERMENT

As a the sole signatory, in the MENA region, of the **Commitment on Financial Health & Inclusion** under the Principles for Responsible Banking (PRB) of the United Nations Finance Initiative (UNEP-FI), CIB publicly declares its commitment to support universal financial health and inclusion and foster a more financially inclusive banking sector.

**The long-term strategy** pillars of the division focus on identifying new customer segment journeys and corresponding existing pain points and barriers that need to be addressed to facilitate access to financial services

**Pillar 2: The Onboarding —  
Distribution and Acquisition Strategy**



**Pillar 1: The Discovery Phase — Marketing  
and Awareness Strategy**

**Pillar 3: Continuing Use Stage —  
Value Propositions: Products, Services, Partnerships,  
and Data Strategy**



# CIB FINANCIAL INCLUSION & ECONOMIC EMPOWERMENT

CIB's Financial Inclusion product offerings are simple KYC products, tailored to best serve the unbanked/untapped segments, providing them with access to finance through easy hassle and free onboarding for certain products



The CIB Smart Wallet (SW) was launched in 2016 primarily to serve unbanked customers by providing a convenient, secure, and cost-effective way to make financial transactions through mobile devices. Through the wallet, customers can easily pay bills, recharge their mobile lines, transfer money to other wallet holders in Egypt, and deposit or withdraw funds from any ATM machine or any of CIB's authorized Banking Agent's outlets



Bedaya, the LCY account, was launched in November 2021, targeting individuals, entrepreneurs, micro enterprises with a special focus on housewives, youth, and freelance professionals. The account aims to include society's unbanked segments, eliminate entry barriers, and encourage the unbanked population to enter the banking sector through the simplification of the account-opening process.



Prepaid cards are only issued for Egyptians, without the need to open a bank account, using their valid national ID. Customers can easily withdraw from any ATM in Egypt and purchase from any in-store merchant and Egyptian e-commerce platforms using their cards. They are cheaper to issue and transact with versus other debit/credit cards.



The Ameen digital wallet, providing customers with access to even more advanced financial services and products such as savings, loyalty, and lending. The wallet is intended to gradually replace the SW and should give the Bank an edge over other wallets in the market. It will help the Bank generate additional revenue streams and provide easier access and enablement to unbanked and underserved segments.





# CIB FINANCIAL INCLUSION & ECONOMIC EMPOWERMENT

## Financial Inclusion Initiatives

CIB participates in the national initiative Hayah Karima. The Bank's collaboration with the CBE, the Ministry of Planning, and other stakeholders extended to provide financial literacy and awareness programs, in addition to simple KYC financial services and products to underserved vulnerable communities in rural governorates.

CIB is actively participating in six annual CBE financial inclusion initiatives and has acquired New to Bank (NTB) customers as a result.

## Business Solutions Program

The Business Solutions program provides non-financial services to SMEs. CIB offers small and medium companies a package of non-financial services through partnership with key companies in different sectors (Marketing, Human Resources, Legal Advisory, E-Commerce, Trainings, etc.) to offer support and consultancy at discounted prices.

## Women in Business

CIB designed a special lending offering tailored for women-owned businesses to support women entrepreneurs.

CIB partnered with Visa in its "She's Next" initiative. This initiative's goal is to help women-led businesses gain access to and secure the required funding to thrive. The program offers unmatched resources and opportunities for women entrepreneurs through coaching and connecting them with like-minded peers and experts.





# DIVERSITY & INCLUSION

By nurturing and sustaining an inclusive workforce, providing equal and fair opportunities, CIB creates an enabling environment that fosters innovation and deepen employee relationships and ownership.

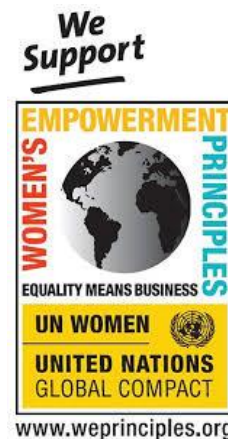
- Multiple women leadership programs across all levels equipping them with the necessary skills to enhance their leadership qualities
- Several policies that support women empowerment and gender equality: Parental Leaves, Whistle Blowing, and Anti-Harassment Policies
- Various trainings combating unconscious bias, encouraging an inclusive culture and highlighting the importance of self-awareness



CIB is recognized in the 2023 Bloomberg Gender Equality Index



CIB was the first bank in Egypt to receive the EGES



CIB supports the UN Women Empowerment Principles



CIB Co-Chairing Egypt's Closing Gender Gap Accelerator





# DIVERSITY AND INCLUSION

CIB has pioneered several internal and external initiatives related to women empowerment and diversity & inclusion



## Women in Tech Program

The program addresses the gender gap in the Bank's technology departments.

**3<sup>rd</sup>**

Round\*



## "Helmek Yehemena" Program

The program encourage the talents of young women in the Upper Egypt and Delta regions to join the workforce

**3<sup>rd</sup>**

Round\*



## She is Back Program

The program eases the mothers' transition back to work after maternity leave

**20+**

Women employees\*



## "Better Together" Program

The program provides job opportunities for the differently abled in the Bank's different branches and departments.

**140**

Training Hours\*



# DIVERSITY & INCLUSION

CIB's strategy focuses on promoting organizational effectiveness by improving engagement and enablement levels and enhancing HR's value proposition

## Flexible Working Arrangements

CIB "Flex" program builds the remote work culture and allows the Bank to achieve cost avoidance and introduce flexible work arrangements, which will lead to better life-work balance and productivity, as well as overall cost reduction and flexibility to better respond to market challenges.

## Employee Recognition Program

The program's aims at retaining top talents, increase motivation, boost employee productivity, and foster a positive working environment.

In 2022, the Employee Recognition Program was revamped to provide adequate engagement and empowerment tools to enhance the recognition culture.

## Employee Well-being & Mental health Care

CIB introduced a workplace counseling service to all employees to help them adjust to the new norms imposed by the pandemic. In the first quarter of 2021.

**2160**

Number of consumed sessions in FY22

## Cultural Transformation

During the 2022, CIB focused on a company-wide cultural transformation to further encourage a culture of excellence, success, and achieving strategic goals.

Delivered to

**1,500 Employees**



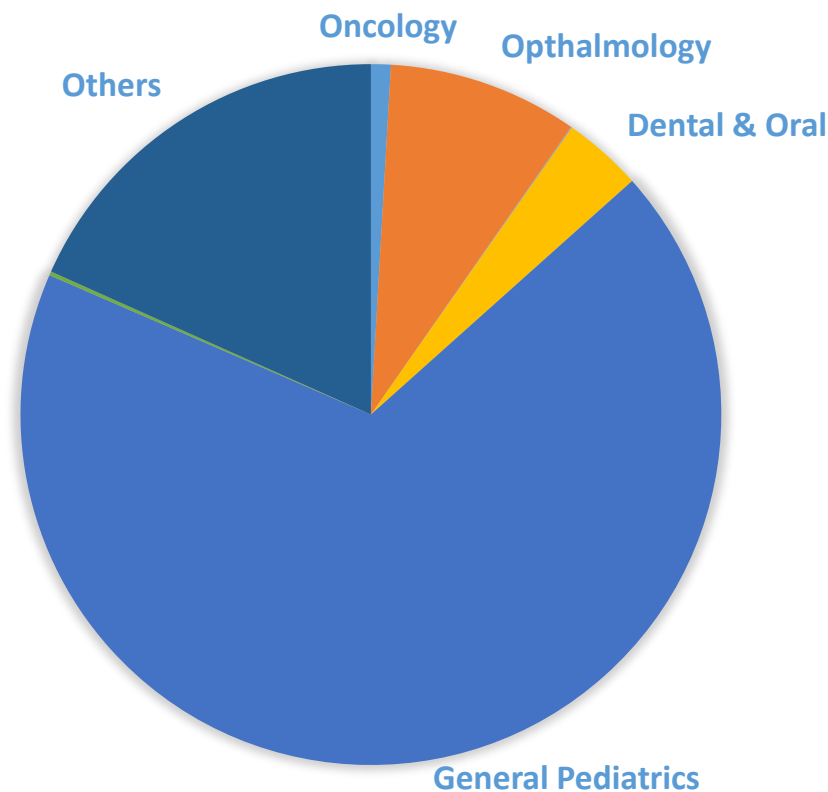


## COMMUNITY DEVELOPMENT

In 2010, CIB shareholders voted to establish the **CIB Foundation** and permanently endow it with 1.5% of the Bank's annual profits. The Foundation has built strategic partnerships with healthcare providers from the governmental, private, and non-governmental sectors to maximize its impact on underprivileged children throughout Egypt

In 2022, the Foundation has impacted the lives of more than **547,540** beneficiaries in several areas

- 🌐 Oncology (1%)
- 🌐 Ophthalmology (9%)
- 🌐 Dental & Oral (4%)
- 🌐 General Pediatrics (68%)
- 🌐 Others (18%)





# **CORPORATE GOVERNANCE**





# CORPORATE GOVERNANCE

Commitment to sound corporate governance practices continues to define CIB

## This commitment is supported by several mandates:

- Internal policies, risk controls, and manuals have been put in place to ensure that all business aspects are not only covered, but well-governed (including risk management, compliance, audit, remuneration, evaluation, succession planning, code of conduct, and budgeting)
- Segregation of the role of CEO and the non-executive chairperson
- Dedicated Corporate Governance team

## The Board's main responsibilities include:

- Setting the Bank's overall strategy and overseeing its execution
- Establishing internal control mechanisms
- Setting the Bank's risk appetite and regularly monitoring performance indicators against approved, defined appetite
- Approving IT Group strategy and review it periodically, especially with regards to the confidentiality of the Bank's information
- Ensuring that shareholders' interests are being catered to

**The Board carries on with its mandate to continuously improve the overall corporate governance framework by regularly reviewing and supervising the Bank's practices**

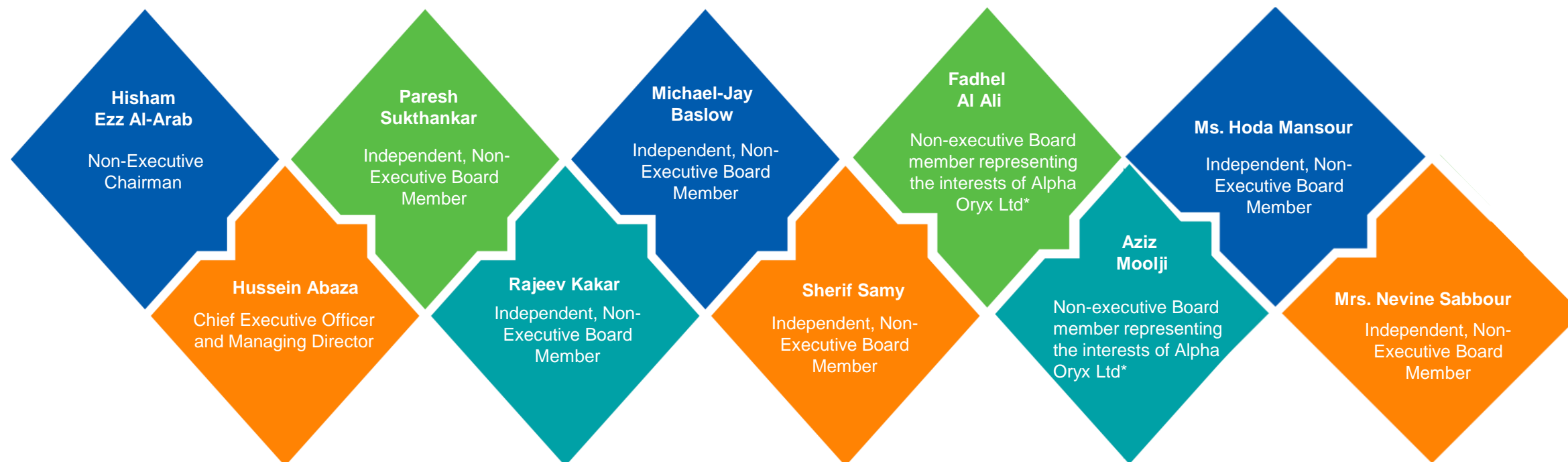




# BOARD OF DIRECTORS

- The Board enjoys significant diversity, leadership, skills, operating experience and professionalism in a broad set of industries
- Complying with best international practices, an independent Lead Director is appointed
- The Board and its committees are governed by well-defined charters that sets out its responsibilities and composition requirements
- The Board is supported by internal and external auditors

**CIB's Board consists of 10 members;  
9 are non-executive, 6 are independent and 2  
representing the interests of Alpha Oryx Ltd\***



\* A subsidiary of ADQ





# BOARD OF DIRECTORS

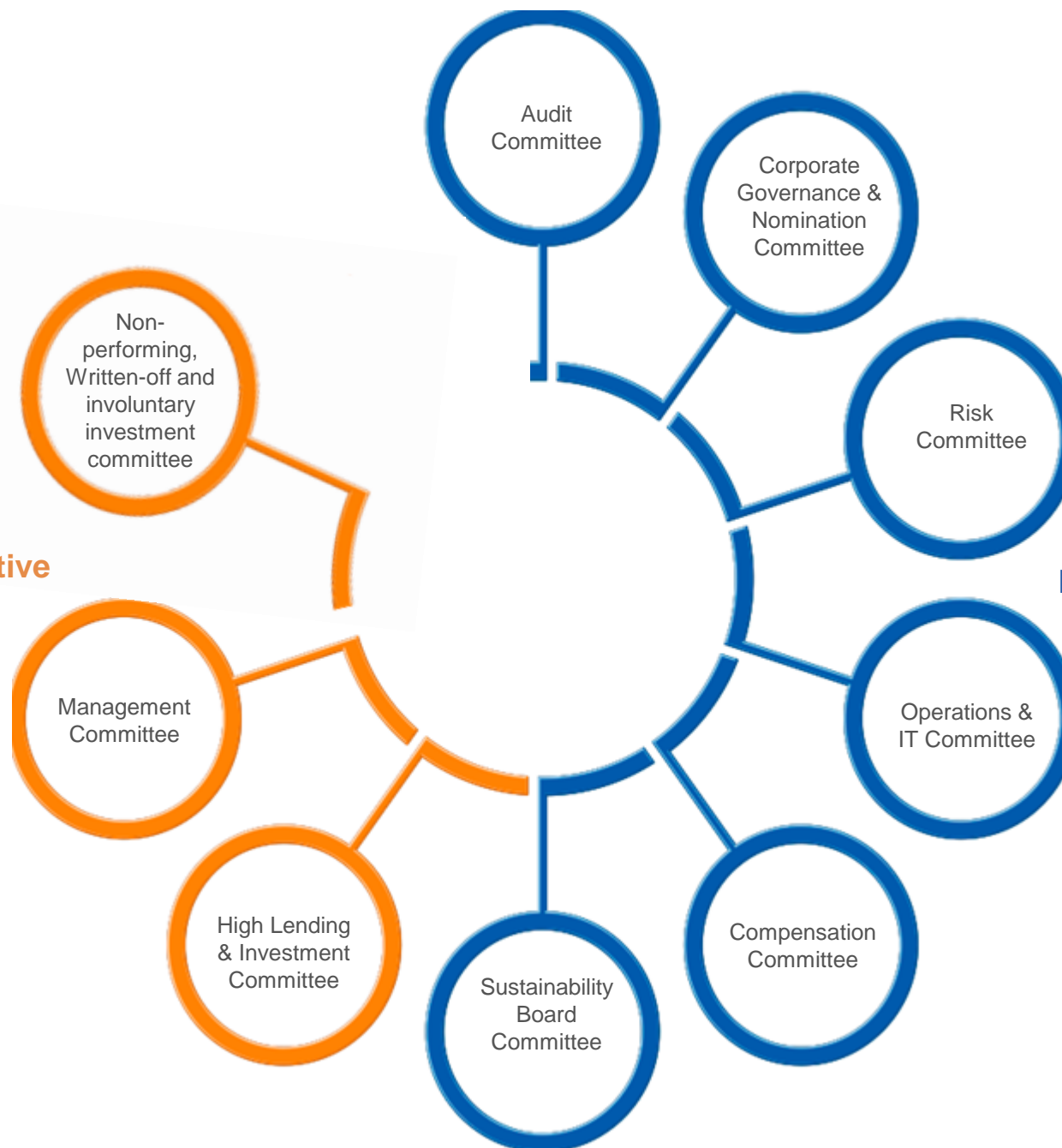
## 9 committees

assist in fulfilling the Board's responsibilities;

- The Board enjoys significant diversity, leadership, skills, operating experience and professionalism in a broad set of industries
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Executive

Non-executive





# BUSINESS CONTINUITY & RESILIENCE MANAGEMENT

01

Pioneer in implementing international standards and best practices; established in 2010; ahead of all major players in the market

02

Set a unique model within the Egyptian financial sector in Business Continuity industry; since 2014, CIB was shortlisted for 16 global and regional Business Continuity excellence awards from 3 of the most reputed organizations in the BCM industry worldwide.

03

Award winner of “Middle East Most Effective Recovery 2016” by Business Continuity Institute-UK (BCI) & “Business Continuity Team of the Year 2015” from Disaster Recovery Institute International-USA (DRII)

04

Certified ISO22301 in Business Continuity since 2018 as the first Egyptian private bank to obtain this reputable accolade and the first bank in Egypt to be certified against the latest version of the standard.

## Initiatives

**CIB continues to invest in further improving its business continuity and recovery capabilities to ensure it provides sustainable and uninterrupted services to our customers**

- Progressive Disaster Recovery Planning
- Continuous Alternate Sites Enhancement
- Flexible Remote Working strategies (Work from Anywhere)
- Moving towards Resilience Management
- Critical Suppliers Management
- Automation and Performance Metrics Management

01

Strong Security Governance & policies aligned with International Standards and Best Practices

02

Certified Payment Cards Industry – Data Security Standards (PCI-DSS) since 2017 And Certified ISO27001 in Information Security Management in 2020  
Dedicated Information Security Compliance and Controls departments responsible for ensuring Bank maintains security posture status

03

Cyber Security Operations Center (SOC) for ongoing Monitoring and response for Security threats considered the first SOC operating with full in-house capabilities in the financial sector in Egypt, when launched in 2017

04

Commitment towards a safer operational and business environment that supports the organization and customers' benefits and well-being

## Initiatives

**CIB continues to invest in further improving its Cyber & Information Security capabilities to continuously protect its customers', shareholders and provide secure banking services and unique customer experience**

- Round the clock 24x7 Security Operations Center (SOC)
- Focus on Data Protection
- Incident response automation and efficiency
- Continuous Investment in security infrastructure, technologies, and workforce development



THANK YOU

For more information, please visit our website; [www.cibeg.com](http://www.cibeg.com)

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**Thank You.**