PRESERVING HERITAGE AND CREATING IMPACT

UNITED NATIONS ENVIRONMENT PROGRAMME FINANCE INITIATIVE
PRINCIPLES OF RESPONSIBLE BANKING

Progress Report
March 2022 - March 2023
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1. INTRODUCTION

1.1 About this report

This report highlights the third progress report for Banque Misr (BM) on its implementation of the Principles of Responsible Banking (PRB). BM signed the UN Principles of Responsible Banking along with 300 other international banks.

The signatories, representing one-third of the total assets of all banks worldwide, agreed to align their business strategies with the UN Sustainable Development Goals and the Paris Climate Agreement.

This report highlights the initiatives and measures taken by Banque Misr to progress towards implementing the principles and create value for all its stakeholders.

BM applied the latest version of the Portfolio Impact Analysis Tool (Version 3), developed by the Positive Impact Initiative, the signatories of the Principles for Responsible Banking, and the United Nations Environment Programme Finance Initiative (UNEP-FI).

In this report, “BM, “the Bank”, “our,” or “we” refer to Banque Misr. The Bank is a state-owned bank based in Cairo, Egypt.
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Editorial Policy
Driven by our leading position in the nation and the region, 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, highlighting our efforts taken to enhance all aspects of our sustainability performance and governance, while considering both national and regional challenges and needs.

Forward-looking Statements
This report contains forward-looking statements on various future estimations. While the management of Banque Misr believes that the forward-looking statements included in this report are reasonable, there can be no assurance that forward-looking statements will prove to be accurate since actual results and future events could differ materially from those anticipated in such statements.

Mistakes and Typographical Errors
Any errors discovered following the report's publication will be corrected and displayed on our website. For environmental considerations, our reports are published as a downloadable PDF file from our website.
Banque Misr has a rich history dating back to its founding in 1920, making it one of the oldest and most established financial institutions in Egypt.

Over the years, BM has expanded its reach and presence, offering a diverse range of financial products and services to meet the needs of its customers. Today, Banque Misr's inclusive business model, coupled with its innovative approach to banking, has enabled the Bank to maintain its position as a leading financial institution in Egypt.

The Bank commitment to providing high-quality financial products and services, while promoting financial inclusion and sustainability, created a loyal client base and contributed to the development of the country's economy.

2.1 Our History

In 1920, Mohamed Talaat Harb Pasha, a renowned economist and financial expert, founded Banque Misr (BM) with the aim of investing national savings in economic and social development.

Banque Misr was the first bank in Egypt to be entirely owned by Egyptians as 100% of its shares are owned by the Egyptian government. Over the years, BM has provided funding to numerous businesses in various domestic sectors, including textiles, insurance, transportation, aviation, entertainment, and filmmaking.
Presently, the Bank has invested in 157 companies that operate in diverse fields, ranging from finance and tourism to housing, agriculture, food, communication, and information technology. To diversify its portfolio, BM has also established major investment funds in Egypt.

The Bank is committed to expanding customer access to banking services by leveraging the latest banking technology. BM has one of Egypt's largest ATM networks, which is spread across all areas of the country.

With a workforce of 21,000 employees, BM's outreach is extensive and its role in various economic fields is evident. The Bank serves more than 16 million clients in Egypt, with a total paid-up capital amounting to EGP 15 billion.

### 2.2 Our Reach & Presence

Over a century, Banque Misr's evident role in all economic sectors has been driven by its geographic outreach. More than 21,000 dedicated employees offer the best and most accessible banking services for over 16 million clients countrywide, with a paid-up capital of EGP 15 billion. It also operates 805 branches electronically integrated nationwide.

On the international level, Banque Misr values the best banking experience for its regional and international clientele through an international presence; We operate five branches in the United Arab Emirates (UAE), one in France (Paris), and two subsidiaries in Germany (Frankfurt) and in Lebanon. BM also operates a representative office in Abidjan (Côte d'Ivoire), run by its subsidiary in Lebanon, in addition to representative offices in Russia (Moscow), China (Guangzhou), South Korea (Seoul), Italy (Milan), and Nairobi (Kenya).

Banque Misr has adopted a five-year expansion strategy, mainly in Africa and Asia. The Bank aims to extend its geographical footprint to Mogadishu (Somalia), Djibouti (Djibouti), and Riyadh (KSA). The Bank seeks to expand its presence in the UAE by opening a new branch in the Dubai International Financial Centre (DIFC).
2.3 BM’s Inclusive Business Model

Banque Misr is committed to placing its customers at the forefront of its operations. To achieve this goal, BM developed an inclusive and all-encompassing business model that is designed to promote customer-centricity. At Banque Misr, the customer is the focal point of everything we do, and we have made it our mission to provide our customers with the highest level of service, convenience, and satisfaction.

Our approach is to understand our customers’ needs and preferences and to tailor our services to meet their unique requirements. We believe that by placing our customers first, we can build lasting relationships with them and contribute to their financial success. This approach ensures that the needs and expectations of their customers are met with the highest level of service possible. The business model offers a wide range of solutions that cater to the diverse needs of different customers, providing them with personalized services and tailored solutions to meet their specific requirements.

Corporate Banking & Syndicated Loans

The Corporate Banking & Syndicated Loans Division provides a comprehensive range of tailor-made conventional and Islamic products and structured trade finance solutions that meet the business requirements of our diverse client base of leading public, private, regional, and multinational institutions. Furthermore, Banque Misr has been a forerunner in Islamic banking by being the first public sector bank to establish branches conducting Islamic banking transactions (Kenana).

The Kenana branches are supervised by the Shariaa Committee, which consists of qualified scholars from reputable institutions, such as Al Azhar, Dar Al-Ifta, and the Islamic Research Council. BM’s Islamic branches provide a wide range of Shariaa-compliant products, services, and trading activities that take a proactive approach to mitigate any potential risks.
2. THIS IS BANQUE MISR

Retail Banking

BM's Retail Banking Division, in alignment with the bank's main objectives, and through offering an inclusive range of retail products and services, plays a significant national role, contributing to the broader themes of financial inclusion and economic security. The division offers a wide range of deposit and savings products. It also provides all types of retail loans and services that meet a wide range of customer needs and requirements. Accordingly, BM retail figures continue to grow alongside the consistent enhancements on its platform and the introduction of new features that facilitate customers' lives.

MSMEs Banking

Banque Misr (BM) has always been a pioneer in improving micro, small, and medium-sized enterprises' (MSMEs) access to finance and finding innovative solutions to unlock sources of capital flows. This has been achieved by developing various specialized banking solutions. The Bank focuses on unleashing the large potential of the country's unbanked and underbanked businesses as a consequence, it was able to provide over 162 thousand MSMEs clients with financial solutions, with an outstanding balance for performing direct and contingent loans (including Islamic and conventional) of EGP 51 billion as of December 31st, 2022. The Bank does not only satisfy the financial need of such a growing sector, but it also caters to their non-financial needs by offering a plethora of customizable solutions and consultation services. The MSME Division also offers an array of Islamic financing schemes for MSMEs, as part of BM's national role in boosting the Egyptian economy.

Capital Markets Group

Banque Misr's Capital Markets Group chiefly seeks to maintain the bank's supreme position in Egypt's capital market and ensure that its financial management and diversified investment services are the product of choice in the retail and corporate banking industry on equal terms. Alongside, creating a positive impact on the bank's stakeholders. Through its subsidiary CI Capital Holding For Financial Investments and with the sheer dedication of a diversified pool of in-house financial experts, Banque Misr excels in delivering a wide spectrum of innovative investment services to companies, institutions, and governments through managing its direct listed equities and bonds portfolio.

On top of that, it provides transaction banking to businesses (trustees and securities services), sales and security trading, and diversified types of mutual funds. In these respects, it is worth mentioning that Banque Misr's Mutual Funds department is considered one of the largest and long-standing departments in the Middle East amounting to eight managed mutual funds. These funds include but are not limited to money market funds, balanced funds, equity funds, capital-guaranteed funds, and Islamic funds.
2.4 Our EESG Highlights

Banque Misr has established an Economic, Environmental, Social, and Governance (EESG) committee that convenes regularly, at a frequency of every three months, or as necessary. The committee is responsible for overseeing our organization’s ESG practices, and one of its key priorities is monitoring the implementation of our Principles for Responsible Banking (PRB) framework.

Banque Misr formed a steering committee that oversees sustainability and sustainable finance. This committee structure includes division heads who are responsible for ensuring that the Bank operates in an environmentally and socially responsible manner, while promoting long-term financial stability. In addition, to integrate ESG principles throughout the organization, a network of champions has been established from various bank functions. This network is comprised of individuals who are passionate about advancing ESG practices and aim to implement ESG principles and initiatives throughout the Bank’s operations.

Banque Misr became the first bank in Egypt and North Africa to issue all types of payment cards in compliance with PCI data security standards, upon obtaining the latest version of the global Payment Card Industry Data Security Standard (PCI DSS 3.2.1) certification, providing its clients with the highest safety and security measures available.

BM takes pride in owning and operating one of the largest networks of ATMs and Point of Sale (POS) strategically located across Egypt.

Banque Misr was ranked as the Bank of choice in issuing government payrolls in Egypt for 17 consecutive years.

On the operational level, the Bank has taken a significant step forward by disclosing and reporting the greenhouse gas (GHG) emissions generated by its activities to better control, compare, and reduce its carbon emissions and increase its positive impact on the environment.
The Bank has launched a new national payment system called Meeza in collaboration with the Central Bank of Egypt and the National Payment Council. This payment system includes a prepaid card with a smart chip that can be purchased at any of the bank's branches across Egypt and recharged through any of its ATM's country wide. The card can be used to withdraw money and make purchases through various channels including ATMs, POS, BM Wallet, and the local e-commerce network.

The Bank was able to provide 162 thousand MSMEs clients with financial solutions, with an outstanding balance for performing direct and contingent loans (including Islamic and conventional) of EGP 51 billion as of December 31st, 2022.

Motivated by our objective of generating positive social development outcomes for the Egyptian community, BM has funded more than 50 community development projects in 13 governorates and 54 villages. Furthermore, the main source of funding for Banque Misr Foundation for Community Development (BMFCD) comes from Banque Misr's annual net profits.

Banque Misr became a prime bank in achieving the Central Bank of Egypt's mortgage initiative. Banque Misr is constantly investing in its offline expansion and already opened 27 new branches in 2022, to have a total of 805 branches.

Banque Misr operates the second largest network of POS terminals in Egypt reaching about 67,905 by end of December 2022.

Banque Misr has conducted its portfolio impact analysis on its Conventional and Islamic Retail Banking, SMEs Banking, Corporate Banking and Investment Banking Portfolio. The Bank has identified Livelihood, Finance and Healthy Economies as its positive areas of impact, while Health & Safety, Circularity and Climate Stability as its key areas of negative impacts.
Key Highlights

- **NET PROFIT AFTER TAXES**: 17.7 billion EGP (As of September 30th, 2022)
- **SHAREHOLDERS’ EQUITY**: 130.9 billion EGP (As of September 30th, 2022)
- **CSR DONATIONS APPROX.**: 931 million EGP (As of December 31st, 2022)
- **NUMBER OF BRANCHES**: 805 branches (As of December 31st, 2022)
- **NUMBER OF AUTOMATED TELLER MACHINE**: 5155 (ATMs) (As of December 31st, 2022)
- **ISSUED PAYMENT CARDS**: +14.8 million (As of December 31st, 2022)
<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Deposits</td>
<td>1.57 trillion EGP</td>
<td>Sep 30th, 2022</td>
</tr>
<tr>
<td>Number of Point of Sale</td>
<td>67,905 (POS)</td>
<td>Dec 31st, 2022</td>
</tr>
<tr>
<td>Total Assets</td>
<td>1.97 trillion EGP</td>
<td>Sep 30th, 2022</td>
</tr>
<tr>
<td>Number of Customers</td>
<td>+16 million</td>
<td>Dec 31st, 2022</td>
</tr>
<tr>
<td>Net Loans Portfolio to Customers</td>
<td>648.9 billion EGP</td>
<td>Sep 30th, 2022</td>
</tr>
<tr>
<td>Income Tax Paid</td>
<td>10.1 billion EGP</td>
<td>Sep 30th, 2022</td>
</tr>
<tr>
<td>Net Fees and Commissions</td>
<td>6.8 billion EGP</td>
<td>Sep 30th, 2022</td>
</tr>
<tr>
<td>Network Correspondent Banks</td>
<td>367</td>
<td>Dec 31st, 2022</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>+21 thousand</td>
<td>Dec 31st, 2022</td>
</tr>
</tbody>
</table>
2.5 Awards and Recognition

Banque Misr remains a leading financial institution that continually rises to new challenges. The Bank takes pride in its commitment to providing innovative banking solutions that set industry standards. Therefore; BM has received numerous well-deserved awards. Even during the challenging post-pandemic recovery period, Banque Misr has maintained its position as a prominent leader, while prioritizing responsible and sustainable growth.

2022 Awards and Recognitions

The European Magazine
- Best Corporate Social Responsible Bank - Egypt
- Best Treasury Management Bank - MENA
- Liquidity Management Provider - MENA
- Best Bank for Cash Management - Egypt
- Foreign Exchange Banking Provider - MENA

Cosmopolitan The Daily Magazine
- Best SME Bank - Egypt
- Best Mobile Bank - Egypt
- Best Digital Bank - Egypt

Global Finance Magazine
- Best Provider of Short-Term Investments/Money Market Funds in the Middle East

International Investor Magazine
- Best SME Bank - Egypt
- Banking App of the Year - Egypt

World Business Outlook Magazine
- Best New Digital Loan Provider Bank - Egypt
- Best Treasury Management Services - Egypt
- Best Outstanding Response to COVID-19 - Egypt
International Business Magazine
- Best Practices in Internal Audit - Egypt
- Most Innovative Bank for Treasury Services - Egypt

Global Brands Magazine
- Most Trusted Banking Brand - Egypt
- Best Retail Banking Brand - Egypt
- Best Corporate Banking Brand - Egypt

Euromoney Magazine
Trade Finance Survey
- Market Leader - Global
- Market Leader - Africa
- Market Leader - Egypt
- Best Service - Africa
- Best Service - Egypt

The Global Economics
Magazine
- Best CSR Bank - Egypt
- Best Treasury and Correspondent Bank - Egypt

Global Business
Magazine
- Best Card Payment Service POS/ATM - Egypt
- Best CSR Bank - Egypt
- Best Mobile Banking Application - Egypt
- Best Retail Bank - Egypt
- Best Trade Finance Bank - Egypt

The Banker «Financial Times»
- Deal of the Year «Islamic Finance» - Africa
- Deal of the Year «Leveraged Finance» - Africa
- Islamic Bank of the Year - Egypt
Global Trade Review Magazine
- Best Trade Finance Bank - Egypt

World Economic Magazine
- Best Cash Management Bank - Egypt
- Best SME Bank - Egypt
- Asian Banking and Finance Magazine
- Domestic Cash Management Bank of the Year - Egypt
- Domestic Initiative of the Year - Egypt

International Finance Magazine
- Best CSR Bank - Egypt Global Business

Outlook Magazine
- Best CSR Bank - Egypt TUV Southwest
- ISO Certificate 9001:2015 Business

Tabloid Magazine
- Best Digital Transformation in Banking - Africa
- Best Corporate Bank - Egypt

The Digital Banker Magazine
- Best Digital Financial Inclusion Initiative
- Best Financial Inclusion Initiative
- Digital Lending Product of the Year
- Outstanding Staff Learning and Development Program
3. Our Progress In A Glimpse

Over the last year, Banque Misr has been engaged in a thorough evaluation of its current state, identifying areas that require improvement, devising a strategy, and creating a plan of action. In this report, we will showcase Banque Misr’s progress in the third year towards implementing the six principles of responsible banking.
In 2019, Banque Misr became a founding signatory of the Principles for Responsible Banking. This defines a framework by which banks transform into responsible banks aligning strategy and day-to-day business operations with national goals. 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.

During the past 12 months, BM has worked diligently to assess its status quo, identify gaps, set an approach, and develop an action plan. In this report, we will exhibit BM’s progress toward the implementation of the six principles for responsible banking for the third year. This section summarizes BM’s progress toward the implementation of each principle.

1. **Principle 1
   Alignment**

   To ensure its operations are sustainable and socially responsible, Banque Misr is committed to integrating ESG criteria into all areas of its operations, including lending, investments, products and services. As a bank with a significant distribution footprint and customer base, it recognizes the importance of proactively taking steps to reduce its environmental impact and promote social responsibility.

   Banque Misr’s four-pillar approach to ESG, comprising Economic Resilience, Environmental Action, Inclusive Society, and Governance, is designed to promote sustainable development while delivering value to customers, shareholders, and other stakeholders. The Bank also recognizes the importance of incorporating E&S risk considerations into its daily business practices.
BM achieves this by regulating its use of natural resources and developing products and services that promote environmental protection, social inclusion, poverty reduction, and people’s empowerment while prioritizing the health and safety of its workforce. The Bank is committed to preventing child or forced labor, sexual abuse, harassment, and exploitation. By taking an integrated approach to ESG and integrating E&S risk considerations into its operations, Banque Misr is dedicated to creating positive social and environmental impact while promoting sustainable development.

In doing so, it aims to become a leader in responsible banking and contribute to national goals. BM strives to align its strategy with the Sustainable Development Goals, Paris Agreement, United Nations Global Compact, International Labor Organization Standards, Egypt’s Vision 2030 and CBE’s Sustainable Finance Guidelines.

Principle 2
Impact Analysis and Target Setting

The Bank has conducted a comprehensive impact assessment of its portfolio, in line with Principle 2: “Impact Assessment and Target Setting” of the Principles for Responsible Banking. With the goal of identifying and maximizing the positive impacts of its lending and investment activities, Banque Misr leveraged the latest version of the UNEP-FI Portfolio Impact Analysis Tool (Version 3), developed by the Positive Impact Initiative and the United Nations Environment Programme Finance Initiative (UNEP FI).

BM has conducted a comprehensive evaluation that covers its Retail Banking, Corporate Banking, SMEs Banking, and Investment Banking portfolios, offering a comprehensive view of the bank’s activities and their impact. Additionally, the assessment is inclusive of both Conventional and Islamic Banking activities, further demonstrating Banque Misr’s commitment to being an inclusive and responsible financial institution.

Livelihood, Finance and Healthy economies have been identified as our key areas of positive impacts. However, our analysis also reveals negative social and environmental impacts in the areas of health and safety, circularity, and climate stability. We recognize the potential risks associated with our activities, and we are committed to mitigating these impacts through the implementation of environmental and social standards and regulations.
Over the past 12 months, BM has provided several services and products that have encouraged its corporate, retail, and SMEs customers to adopt sustainable practices and businesses. The Bank is also maximizing its green portfolio by focusing on sustainable projects financing and already has managed to finance 71 projects with an outstanding balance of EGP 8.7 billion. On the other hand, BM is building its suitable systems which will cover the E&S related risks according to global best practices.

By leveraging these channels, BM is better equipped to assess and address stakeholder concerns, improve its sustainability practices, and build trust and credibility with its stakeholders.

Banque Misr engages in an annual dialogue with its stakeholders to evaluate its sustainability efforts. By working with its business partners, customers, employees, government entities, suppliers, and the local community, the Bank gains a deeper understanding of relevant issues and focuses on areas of greatest importance. Proactively engaging with a diverse range of stakeholders is essential to maintaining a professional and optimal working environment.

BM uses a comprehensive approach to interact with its stakeholders through a variety of connected channels. This allows the Bank to evaluate, reinforce, and prioritize its sustainability objectives in an authentic, transparent, and credible manner. Additionally, BM utilizes multiple integrated internal and external channels to communicate with stakeholders across various domains.

The Board retains the primary responsibility of incorporating an effective environmental, social, and governance (ESG) approach into its long-term business strategy, in collaboration with Senior Management Executives. BM’s governance structure and processes promote accountability, transparency, and ethical behavior. BM’s committees are responsible for identifying and tracking the primary impacts and setting forward-looking measures to optimize the positive operational impacts and minimize the negative impacts.

Furthermore, the Board of Directors oversees and ensures the application of the Principles for Responsible Banking. Our board is actively engaged in identifying the areas of greatest impact and in setting targets to amplify our positive contributions while minimizing our negative effects.

We commit ourselves to annually report thereafter on our progress on the principles’ implementation, our impacts, and target achievements.
Banque Misr is dedicated to value creation for all its stakeholders. In pursuit of this goal, the Bank has devised a comprehensive strategy that emphasizes mapping out stakeholder needs, concerns, and expectations, as well as employing frameworks for responsible banking. Overall, Banque Misr's focus on value creation, stakeholder mapping, and responsible banking frameworks demonstrates its commitment to being a responsible and sustainable financial institution.
4. Our Approach for Value Creation

4.1 BM’s strategy

Banque Misr's vision is focused on achieving and maintaining leadership through their distinguished performance. As a trusted partner of choice for wholesale clients in Egypt and beyond, Banque Misr aims to prioritize the needs of their clients at the center of their proposition. This means providing top-notch services that leverage the latest in digital solutions, as well as their extensive local, regional, and international network, to consistently exceed their clients' expectations. To achieve this, Banque Misr recognizes the importance of strategic partnerships, both within their ecosystem and beyond. These partnerships enable them to continuously enhance their offerings and stay ahead of the curve in an ever-evolving industry. Banque Misr’s commitment to providing the best possible service to their clients is unwavering, and their dedication to their vision is what sets them apart from the competition.

Banque Misr’s mission is to achieve excellence in fulfilling all of their customers’ banking needs, while simultaneously maximizing value for their shareholders. BM is committed to inspiring loyalty among their employees and playing a leading role in the prosperity and development of Egypt. Banque Misr places a strong emphasis on providing outstanding customer service, ensuring that their clients have access to a wide range of financial products and services to meet their unique needs. They are dedicated to creating value for their shareholders, and achieving growth and profitability through sound business practices and strategic investments.

At the same time, Banque Misr recognizes the importance of their employees, who are the backbone of the organization. By inspiring loyalty and creating a positive work environment, Banque Misr is able to attract and retain the best talent, ensuring that they are well-positioned to deliver on their mission. Moreover, Banque Misr is deeply committed to playing a leading role in the prosperity and development of Egypt. They recognize that they have a critical role to play in driving economic growth and development, and they are committed to leveraging their expertise and resources to help build a better future for all Egyptians.

As a leading National Bank with dual mandate of supporting the National Strategy while remaining commercially viable, Banque Misr has decided to follow the sustainability direction in its strategic and tactical levels during the formation of 2019 – 2023 Strategy to take a leading role in contributing directly to the Egypt 2030 Vision and the United Nations Sustainable Development Goals (SDGs).
Banque Misr took bold steps towards achieving its triple bottom line goals related to profit, people, and the planet. This was reflected in the launch of its organizational culture transformation, which has seen the Bank invest heavily in its human capital to enhance the skills and capabilities of its employees.

In addition to this, Banque Misr launched its first banking program that offers a full value proposition to women "Zaat", thereby helping to financially empower women and promote gender equality. These initiatives highlight Banque Misr's unwavering commitment to promoting sustainable development and ensuring that it remains on track to achieve its goals.

Banque Misr's strategy is designed to span across global, local, and digital platforms, reflecting its direction, vision, mission, and values. By embracing digital solutions and leveraging its extensive network, Banque Misr is able to provide its customers with innovative, high-quality financial products and services that meet their needs.

At the same time, Banque Misr is deeply committed to sustainable development, with a focus on minimizing its impact on the environment and promoting social responsibility. By adopting a triple bottom line approach, Banque Misr is well-positioned to achieve its goals while remaining true to its values and commitment to sustainable development.
BM’s Sustainability Policy Statement

As the second-largest bank in Egypt, Banque Misr is dedicated to embedding sustainable practices and integrating Environmental, Social, and Governance (ESG) criteria into every aspect of its operations, including lending, investments, and products and services. Banque Misr’s extensive distribution footprint and large customer base make it essential that the Bank takes proactive measures to minimize its impact on the environment and promote social responsibility.

To achieve this, Banque Misr has adopted a four-pillar approach to ESG, which includes Economic Resilience, Environmental Action, Inclusive Society, and Governance. This approach is designed to ensure that the bank’s operations and practices promote sustainable development while also creating value for its customers, shareholders, and other stakeholders.

Banque Misr recognizes the importance of integrating Environmental & Social (E&S) risk considerations into its daily business practices. This involves regulating its use of natural resources, developing services and products that promote environmental protection, social inclusion, poverty reduction, and people’s empowerment while also protecting the health and safety of its workforce. Banque Misr is committed to not allowing child or forced labor, sexual abuse, harassment, and exploitation.

By adopting a comprehensive ESG approach, Banque Misr is able to effectively manage its impact on the environment and promote social responsibility, while also achieving its goals and remaining true to its values. This commitment to sustainability is a core part of Banque Misr’s business strategy and is essential to its continued success as a leading bank in Egypt.
Our Core Values

BM's new core values embody the essence of who the Bank is and how it conducts business. These values are key to the Bank's success, and commitment to enhancing the customer experience, developing impactful solutions, and delivering improved business outcomes. Agility, stewardship, innovation, customer-centricity, and pride are the values that define Banque Misr's approach to doing business. These values enable Banque Misr to respond quickly to change, innovate, and put customers first in everything the Bank does. Banque Misr's core values are not just theoretical, they are integrated into the Bank's strategy, day-to-day operations, and activities.

As a leading bank with a 100-year legacy of commitment to sustainable development, Banque Misr is proud of its achievements and is capitalizing on them to build a new legacy for the next 100 years. By embodying these core values, Banque Misr is well-positioned to adapt to changing market conditions, provide innovative solutions that meet customers' evolving needs, and drive sustainable growth while delivering positive outcomes for all stakeholders.

Agility

Our approach involves providing speedy and straightforward work, allowing us to respond promptly to changes and obstacles. This flexibility enables us to embrace opportunities and rapidly change course toward our objectives, making us a more dynamic bank. At the same time, we remain committed to adding sustainable value to all our endeavors. We provide guidance and business insights, manage resources effectively, and prioritize client satisfaction at every level, fulfilling our commitment to stewardship.

Innovation

BM has the ability to think differently, develop impactful solutions and continuously adopt creative thinking. Seeking continuous improvement at all fronts, upgrading business outcomes across all functions of the organization.

Customer Centricity

Everything we do revolves around bringing customers to the front. We focus our business services to provide adequate quality and enhance the customer experience. We respond effectively to customers' needs and build mutual profitable relations.

Pride

Building on our great legacy with an utmost sense of belonging and loyalty to create a constructive work environment that enables us to sustainably perform our job with integrity, dedication and excellence.

Banque Misr's strategy is to be a leading financial institution in Egypt and the region, providing innovative financial products and services to meet the needs of its customers. The Bank aims to achieve sustainable growth by adopting a customer-centric approach and by leveraging technology to enhance its operations and service delivery.

Banque Misr also places a strong emphasis on social responsibility and sustainability, seeking to have a positive impact on the communities it serves while ensuring that its operations are environmentally sustainable. In pursuit of its goals, the Bank invests in its employees, technology, and infrastructure to maintain a competitive edge in the industry.
4.2 Alignment for Delivering Value

4.2.1 Commitment to the Sustainable Development Goals (SDGs) & Egypt’s Vision 2030

Banque Misr's commitment to sustainability is evident in its strategic direction, which aligns with the United Nations' Sustainable Development Goals (SDGs). The bank's products and services are designed to promote economic growth, reduce inequalities, and support social and environmental sustainability.

**Empowering SMEs**

Banque Misr has made empowering MSMEs a top priority, recognizing their significant potential to create jobs, generate income, and stimulate innovation. The Bank acknowledges that SMEs require financial support, access to resources, and a supportive environment to thrive, and has been committed to providing these through a range of initiatives and partnerships.

**Women Empowerment**

Banque Misr has launched ZAAT, a comprehensive financing program specifically designed to support Egyptian women, highlighting the bank’s strong belief in the influential role of women in community development. The program provides tailored assistance to help women overcome various challenges, including a range of financial and non-financial services, and support for female entrepreneurs and businesswomen to pursue their aspirations.
Financial Inclusion

We are committed to promoting financial inclusion through a variety of initiatives and mechanisms that aim to provide marginalized and underprivileged groups with access to banking services. Our goal is to include as many customers as possible in the formal financial sector, which will not only provide them with all available banking services but also have a positive impact on the national economy, leading to an increase in the country's gross domestic product.

The Bank has collaborated with different organizations, including government entities, NGOs, and academic institutions, to provide financial literacy and services to underserved groups. By partnering with various sectors across the organization, Banque Misr has successfully extended financial services and education to segments that traditionally have had limited access to these resources.

<table>
<thead>
<tr>
<th>Contribution to SDGs</th>
<th>Contribution to SDS (Egypt’s Vision 2030)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 NO POVERTY</td>
<td>Equity &amp; Inclusion</td>
</tr>
<tr>
<td>8 DECENT WORK AND</td>
<td>Quality of life</td>
</tr>
<tr>
<td>ECONOMIC GROWTH</td>
<td></td>
</tr>
<tr>
<td>10 REDUCED INEQUALITIES</td>
<td></td>
</tr>
</tbody>
</table>

Microfinance

The Bank signed several significant protocols and agreements with local and international institutions to support microfinance.

For instance, Banque Misr has collaborated with the Ministry of Local Development on the “Mashrouak” program for the financing of micro, small, and medium-sized enterprises (MSMEs) through local single-window units nationwide.

<table>
<thead>
<tr>
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<td>Quality of life</td>
</tr>
<tr>
<td>ECONOMIC GROWTH</td>
<td></td>
</tr>
</tbody>
</table>

4. OUR APPROACH FOR VALUE CREATION
Product/ Service/ Initiative

Digital Transformation

The Bank has taken significant steps towards creating a cashless society by investing in upgrading its digital banking experience, supporting the Central Bank of Egypt's (CBE) FinTech initiatives, and partnering with other institutions to ensure safe and convenient banking transactions for all segments of the community.

For instance, Banque Misr has launched the "Express" loan for small projects, which is considered the first integrated digital product launched through the Bank's Digital Transformation division. This product allows Banque Misr's small project customers to submit a financing application online via the website, without the need to visit the branch, on a step-by-step basis with minimal procedures.

Contribution to SDGs.

Contribution to SDS (Egypt's Vision 2030)

Strong Economy Knowledge and Innovation

Product/ Service/ Initiative

Responsible Communication

For fair dealing with clients, as well as maintaining integrity and transparency, all employees must utilize appropriate means to help clients conduct their transactions with the Bank with high efficiency, obtain their rights in accordance with the bank’s instructions, and maintain proper records of all agreements concluded with clients to facilitate reference when necessary.

Contribution to SDGs.

Contribution to SDS (Egypt's Vision 2030)

Leading Stature

Product/ Service/ Initiative

Community Development

We are committed to supporting and empowering communities in which we function, and we strive to have a trustworthy, transparent, and sustainable imprint that contributes to building a sustainable society for future generations. BM has funded more than 50 community development projects in 13 governorates and 54 villages.

Contribution to SDGs.

Contribution to SDS (Egypt's Vision 2030)

Equity & Inclusion Quality of life
4.2.2 Mapping with Paris Agreement

The Paris Agreement is an international treaty signed in 2015 to combat climate change by reducing greenhouse gas emissions and promoting sustainable development. Banque Misr's finance, strategy, and products can be mapped to the Paris Agreement as follows:

<table>
<thead>
<tr>
<th>Carbon Footprint</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banque Misr is committed to reducing its carbon footprint and has implemented several initiatives to achieve this goal. BM has adopted energy-efficient technologies and practices in its operations, reduced its paper consumption, and implemented waste management practices.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Screening Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Bank considers the environmental impact of its clients' projects and assesses their legibility before providing financing. Environmental Impact Assessment is a core in the Bank screening process for all projects to ensure that they comply with the international and local environmental standards and regulations.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Portfolio Impact Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banque Misr performed an impact assessment on its portfolio to assess the environmental impacts associated with its lending and investment activities in order to mitigate its negative environmental impacts.</td>
</tr>
</tbody>
</table>

4.2.3 Alignment with UN Guiding Principles for Business and Human Rights

Banque Misr's financing, strategy, and products align with the UN Guiding Principles for Business and Human Rights by prioritizing respect for human rights in all of its operations. BM is committed to protecting the human rights of its employees, customers, and stakeholders, and has established policies and procedures to ensure that it operates in compliance with international human rights standards.

Banque Misr also engages in partnerships with organizations that promote human rights and social justice and has implemented measures to identify and address any human rights risks that may arise in its business activities. Furthermore, the Bank has taken steps to ensure that its lending and investment activities do not support any human rights violations, and that it promotes social and environmental sustainability in all of its operations.
4. OUR APPROACH FOR VALUE CREATION

4.2.4 Supporting International Labor Organization Standards

Banque Misr’s strategy, financing activities and products align with the International Labour Organization (ILO) standards by prioritizing decent work and promoting labor rights in all of its operations. The Bank is committed to promoting decent work and social protection for its employees, as well as protecting their health and safety. Banque Misr also engages in partnerships with organizations that promote decent work and social justice, and has implemented measures to identify and address any labor-related risks that may arise in its business activities.

Furthermore, steps has been taken to ensure that its lending and investment activities do not support any labor rights violations, and that it promotes social and environmental sustainability in all of its operations.

4.2.5 Commitment to the United Nations Global Compat (UNGC)

**Human Rights**

Banque Misr is committed to upholding and promoting human rights in all of its activities and operations, including ensuring equal opportunities for all employees and customers.

**Principle 1**
Banque Misr supports and respects the protection of internationally proclaimed human rights.

**Principle 2**
Banque Misr ensures that they are not complicit in human rights abuses.

**Labor**

BM strives to provide a safe and healthy working environment for its employees, in line with international labor standards, and promotes employee development and well-being.

**Principle 3**
Banque Misr upholds the freedom of association and recognizes the right to collective bargaining.

**Principle 4**
Banque Misr ensures the elimination of all forms of forced and compulsory labor.

**Principle 5**
Banque ensures effective abolition of child labor.

**Principle 6**
Banque Misr ensures the elimination of discrimination in respect of employment and occupation.
Banque Misr is committed to reducing its environmental impact and promoting sustainable practices in all of its operations, including reducing its carbon footprint, conserving energy and natural resources, and promoting environmental awareness.

**Principle 7**
Banque Misr supports a precautionary approach to environmental challenges.

**Principle 8**
The Bank undertakes initiatives to promote greater environmental responsibility.

**Principle 9**
The Bank encourages the development and diffusion of environmentally friendly technologies.

The Bank has a zero-tolerance policy toward corruption and bribery and implements robust measures to prevent and detect any such activities.

**Principle 10**
Banque Misr works against corruption in all its forms, including extortion and bribery.
4.2.6 Compliance with CBE's Sustainable Finance Guiding principles

The Central Bank of Egypt (CBE) issued sustainable finance guidelines to encourage banks to integrate environmental, social, and governance (ESG) considerations into their lending, operations, and investment products and services. Here are some examples of how Banque Misr's finance, strategy, and products align with the CBE's sustainable finance guidelines:

First Principle
Building the necessary capacity and knowledge

We have implemented measures to cultivate a sustainability-focused workplace culture by educating and empowering our employees. Working together with our stakeholders, we organized extensive capacity building programs on sustainability and multiple reporting frameworks to equip our staff with the knowledge and skills necessary to become sustainability champions.

Our objective is to promote positive environmental and social change through the development of a team of experts in sustainable practices. By providing our employees with the resources and tools to understand and implement these practices, we are actively pursuing a sustainable future for our organization and the world as a whole.

Moreover, Banque Misr is raising awareness about the importance of electricity conservation and taking steps to encourage its employees and customers to conserve energy. The bank's efforts to reduce its environmental impact extend beyond its own operations and include a broader commitment to promoting environmental sustainability.
Second Principle
Promoting Sustainable Finance

- BM is working towards maximizing its share of green and sustainable projects by directing more finance and investments in that landscape. Also, the Bank is advancing its systems to include the E&S related risks according to global best practices to ensure alignment with sustainable practices and create a positive impact.

- The Bank thoroughly screens all financed projects, adopting a comprehensive approach towards sustainability. BM integrates sustainable requirements into its credit-granting process and actively mobilize green finance to support climate action.

- The Bank aims at promoting financial inclusion through a variety of initiatives and mechanisms that aim to provide marginalized and underprivileged groups with access to banking services.

- The Bank signed several significant protocols and agreements with local and international institutions to support microfinance.

- Banque Misr is a founding signatory to the UNEP-FI Principles for Responsible Banking that aim to promote sustainable finance and responsible banking. BM has performed an impact assessment on its portfolio to identify, assess and mitigate any negative social, economic, or environmental impacts.

Third Principle
Stakeholders Engagement

Banque Misr regularly engages in a systematic annual dialogue with its stakeholders to assess its efforts in promoting sustainability. By collaborating with its business partners, customers, employees, government entities, suppliers, and the local community, the bank gains a deeper understanding of pertinent issues and focuses its efforts on areas of highest significance. BM proactively engage with a diverse range of stakeholders to maintain an optimal working environment.

BM employs a comprehensive approach in interacting with its various stakeholders through a variety of connected channels. This enables the Bank to evaluate, reinforce, and prioritize its sustainability objectives in a genuine, transparent, and credible manner. Furthermore, BM employs multiple integrated internal and external channels to communicate with stakeholders across various domains.
Fourth Principle
Climate Change and Risk Management

- Banque Misr has made a pledge to decrease its carbon footprint and has taken various measures to achieve this objective. The Bank has incorporated energy-efficient technologies and practices into its operations, lowered its usage of paper, and implemented waste management practices.

- BM strives to increase awareness and develop the capabilities of the Bank’s staff in the field of managing those risks resulting from climate change.

- BM assesses the risks associated with the sectors that have a negative impact on climate stability.

Fifth Principle
Integrating sustainability principles to the bank’s internal activities & operations

Banque Misr is dedicated to incorporating sustainable practices and integrating ESG standards into every facet of its operations, and portfolio management including lending, investments, products and services. Given the Bank’s extensive distribution network and large customer base, it is imperative that the Bank proactively mitigates its impact on the environment and prioritizes social responsibility.

To accomplish this, Banque Misr has implemented a four-pillar ESG strategy, which encompasses Economic Resilience, Environmental Action, Inclusive Society, and Governance. The strategy aims to ensure that the bank’s operations and practices promote sustainable development while also delivering value to its customers, shareholders, and other stakeholders.

Sixth Principle
Reporting

- BM is the first state-owned bank to commit and report to GRI standards.

- BM reports on its progress towards PRB Implementation.

- BM issued its first Carbon Footprint Report that reflects GHG inventory of the Bank.
SUSTAINABILITY GOVERNANCE

Banque Misr recognizes the importance of sustainability and is committed to integrating it into its governance and culture. The Bank has implemented a comprehensive sustainability governance framework that ensures the incorporation of environmental, social, and governance (ESG) considerations in decision-making processes. Banque Misr has developed a culture of responsible banking, which prioritizes the interests of all stakeholders and aligns them with the Bank's business objectives. The culture fosters a sense of accountability and transparency, ensuring that Banque Misr operates in a sustainable and ethical manner, while also generating long-term value for stakeholders and society as a whole.
5. Sustainability Governance

5.1 Governance Structure for Implementation of the Principles

Effective and strong governance is essential for maintaining business operations, providing value to stakeholders and ensuring transparent communication within the organization. Banque Misr has adopted the principles of responsible banking strategic framework to align its portfolio with the SDGs, Egypt vision 2030 and Paris agreement goal which helps the Bank through the impact analysis identify how Banque Misr financing is affecting different SDGs and to set targets either to maximize our positive or minimize our negative impact through interim and long-term targets. As a leading financial institution in Egypt, Banque Misr has always been at the forefront of responsible banking practices. In line with its commitment to corporate compliance, the Bank was among the first to embrace the Principles for Responsible Banking, a groundbreaking initiative aimed at promoting sustainable banking practices.

The Bank's early adoption of the principles reflects its dedication to being a responsible corporate citizen and setting the highest standards for sustainable banking and also enabled BM to solidify its position as a trailblazer in the industry, paving the way for other banks to follow. Banque Misr has also created a plan that outlines all of its objectives and strategies for each aspect of responsible banking. This road-map includes defined dates for implementation and identifies the individuals who will be responsible for carrying out each dimension.

Banque Misr’s governance system is a testament to its commitment to corporate responsibility and sustainable business practices. By integrating social responsibility and sustainability goals into its policies and operations, BM is contributing to a more equitable, just, and sustainable world. Banque Misr's commitment to corporate governance is evident through the comprehensive system of structures, systems, and policies that it has implemented to ensure the optimal application of corporate governance principles. This system encompasses all levels of the bank's operations, from the board of directors and its sub-committees to executive management and internal control systems. The bank's approach to managing compliance, risks, and internal audit is grounded in this governance framework, which ensures accountability, transparency, and ethical conduct.

Moreover, Banque Misr recognizes the importance of social responsibility and sustainability as essential components of its strategic direction. The Bank implements these goals as standards in its policies towards clients, employees, society, as well as suppliers and service providers. Banque Misr is committed and dedicated to making a positive impact. The Bank's Corporate Governance Committee monitors and reviews the bi-annual progress reports to maintain sustainable practices in accordance with general governance guidelines.
In its policies towards clients, Banque Misr prioritizes transparency, fairness, and ethical conduct, seeking to provide products and services that are in the best interests of its customers. In terms of employees, the Bank places a strong emphasis on fostering a safe, diverse, and inclusive work environment, with opportunities for professional development and career advancement. Additionally, Banque Misr recognizes the importance of giving back to society and supports initiatives that address social and environmental issues, such as poverty, education, and climate change. The Bank works closely with suppliers and service providers to ensure that they meet its high standards for sustainability and social responsibility.

Governing ESG and PRB Implementation

The core responsibilities of BM's Board of Directors are strategic planning, monitoring, assessing performance, implementing the strategy, and protecting all stakeholders' rights. The Board maintains data confidentiality of the decision-making process. It also oversees the estimated budget, and short-term plans.

BM's Board holds all responsibilities related to banking operations and financial integrity and ensures that the requirements issued by the CBE are fulfilled. It also ensures that governance principles are adopted in the management process within the scope of the Bank's internal policies and regulations. The Board also sets the Bank's strategic goals, monitors the executive management's performance, and take required actions when needed.

The Board endorses internal control and surveillance systems to ensure their effectiveness, along with assessing the efficiency of risk management.

The Board effectively address, discuss, and communicate sustainability practices and targets, to ensure effective stakeholder engagement, including periodical reporting and meetings. The board strives to support digital transformation efforts by partnering with FinTech companies to jointly improve the banking services provided for better customer satisfaction and increased retention.

The Board retains the primary responsibility of incorporating an effective environmental, social, and governance (ESG) approach into its long-term business strategy, in collaboration with Senior Management Executives. BM's governance structure and processes promote accountability, transparency, and ethical behavior. BM's committees are responsible for identifying and tracking the primary impacts and setting forward-looking measures to optimize the positive operational impacts and minimize the negative impacts.

The Board's standing committees oversee various matters, including reviewing the financial reporting process, good practices, investment exposures, and remuneration policies.
The Senior Management standing committees manage BM's operations while maintaining appropriate governance. As BM constantly looks toward ensuring a sustainable impact, a self-assessment approach is at the core of its strategy. The Executive Committee reviews operational performance based on adopted goals. The Risk Committee is responsible for screening BM's impacts, either positive or negative. BM identified social responsibility as one of its prime goals. Our Board of Directors has a diverse range of expertise, perspectives, and knowledge, allowing it to professionally set and uphold prudent strategies to effectively manage performance and review progress on short and long-term plans, in addition to other supervisory roles.

Furthermore, the Board of Directors oversees and ensures the application of the Principles for Responsible Banking. Our board is actively engaged in identifying the areas of greatest impact and in setting targets to amplify our positive contributions while minimizing our negative effects.

Also, as a part of our commitment to sustainable governance, we have established an Economic, Environmental, Social, and Governance (EESG) committee that convenes regularly, at a frequency of every three months, or as necessary. The committee is responsible for overseeing our organization's ESG practices, and one of its key priorities is monitoring the implementation of our Principles for Responsible Banking (PRB) framework.

We recognize that effective implementation of the PRB framework is critical to achieving our sustainability objectives, and therefore, it is always included in the committee's agenda. Through these efforts, we are dedicated to upholding the highest standards of EESG performance and ensuring that we are actively contributing to a more sustainable future. It is worth noting that the committee is chaired by Mr. Mohamed Seif el Nasr, who brings a wealth of expertise to the role as a non-executive board member. His appointment ensures that there is a clear distinction between the management and oversight of sustainability initiatives, which is important for maintaining transparency and accountability. As a non-executive board member, Mr. Nasr's role is to provide independent oversight, ensuring that the committee's decisions align with the company's values and objectives. This arrangement also helps to mitigate potential conflicts of interest and ensures that sustainability initiatives are given the appropriate level of attention and resources they require.

Moreover, the BM formed a steering committee that oversees sustainability and sustainable finance. This committee is formed of division heads to ensure that the Bank operates in an environmentally and socially responsible manner while promoting long-term financial stability. Also, to promote the integration of EESG principles throughout the organization, a champions network has been established from various Bank functions. This network is comprised of individuals who are passionate about advancing ESG practices and aims to implement ESG principles and initiatives throughout the Bank's operations.
5.2 Promoting a culture of responsible banking

Banque Misr strive to disseminate corporate responsibility values as an integral part of the employees' sense of loyalty toward the community. Therefore, a culture transformation path targeting the alignment of the organizational structure with the new strategic direction. This culture emphasizes the importance of integrating the clients ESG aspects into the business decision making process. At the same time, Banque Misr promotes diversity and equal opportunities in the workplace, and is committed to creating a culture of inclusion, where all employees are treated with respect and dignity.

As part of this commitment, we actively encourage open communication and encourage our employees to freely express their opinions and raise any concerns they may have. This not only helps to create a positive and supportive work environment, but also helps us to continuously improve and evolve.

Moreover, Banque Misr continuously raises awareness regarding resources efficiency and is taking steps to encourage its employees and customers to conserve water and energy use. The Bank's efforts to reduce its environmental negative impact extend beyond its own operations and include a broader commitment to promoting environmental sustainability.

To foster a culture of sustainability within our organization, we have taken proactive steps to educate and empower our employees. Through a collaborative effort, we provided our staff with comprehensive capacity building programs on sustainability and multiple reporting frameworks. Our aim was to develop a team of sustainability champions who possess the knowledge and skills necessary to drive positive environmental and social change. By equipping our employees with the tools and resources needed to understand and implement sustainable practices, we are actively working towards a more sustainable future for our organization and community.
Banque Misr is also taking a comprehensive approach to capacity building by including all levels of the bank's employees as well as its customers. The Bank has developed a training plan that addresses the unique needs of each group:

For the Board of Directors and top management, the Bank has arranged high-level strategic trainings and round-table discussions. These trainings will provide valuable insights and help senior leaders make informed decisions about the bank's sustainability initiatives.

Specialized divisions such as risk and engineering will receive technical training. This training will equip employees with the necessary skills and knowledge to manage ESG risks and develop sustainable solutions.

Awareness sessions will be held for all the Bank’s employees. These sessions will help employees understand the importance of sustainability and how they can contribute to the bank’s efforts to become a more socially and environmentally responsible institution.

The Bank customers will be provided with training on ESG compliance and transitions. The training aims at boarding customers, help them understand the Bank’s sustainability initiatives, and how they can align their own practices with those of the Bank's. By educating customers on sustainable practices, Banque Misr is supporting the sustainability ecosystem.
In 2022, Banque Misr prioritized employee training and development with a focus on sustainability. The Bank organized several training sessions and workshops for its employees, including:

1. The EBRD Green Finance Academy, where 100 members enrolled with a plan to enroll an additional 2000 over the next four years. The program aims at educating employees with the required knowledge and skills to develop and manage green financial products and services.

2. 25 employees from the Engineering and Administrative Department enrolled in the Carbon Footprint training. This training will enable them to understand the impact of their operations on the environment and develop sustainable solutions.

3. An awareness session was conducted for Division heads on the ESG principles and the bank’s road-map for sustainability. This session aimed to ensure that the Bank’s leaders understand the importance of sustainability and their role in promoting it throughout the organization.

4. 11 employees attended the Financial Regulatory Authority (FRA) ESG workshop. This workshop provided them with an understanding of the regulatory framework for ESG practices in the financial industry.

5. 12 employees attended the IFC training on sustainability and sustainable finance. This training will enable them to develop sustainable financial products and services that align with international best practices.

Through these training sessions and workshops, Banque Misr is ensuring that its employees are equipped with the necessary skills and knowledge to promote sustainability throughout the organization and develop sustainable financial solutions that meet the needs of its customers.
5.3 ESG Due Diligence

Banque Misr takes proactive measures to maximize its positive impact and minimize its negative impacts. The Bank is also maximizing its share of green and sustainable projects by directing its financing and investments towards it. On the other hand, BM is building its suitable systems which will cover the E&S related risks according to global best practices.

To ensure environmental responsibility, Banque Misr mandates its customers to obtain an official license, which requires an Environmental Impact Assessment (EIA) approved by the Egyptian Environmental Affairs Agency (EEAA) under Law no. 4 in 1994. Additionally, small enterprises are required to provide insurance for their workforce. The Bank also is moving more funds toward renewable energy and energy efficiency projects to address the challenges of climate change.

To ensure compliance with Ministry of Environment regulations, Banque Misr conducts comprehensive environmental compliance checkups for financed projects. Through these measures, the Bank effectively balances its financial performance with an environmental footprint and sustainable investment practices.

BM is taking steps to increase its green portfolio by directing more funds toward sustainable projects. 71 projects totaling outstanding balance of EGP 8.7 billion fall under this category. In addition to its green financing initiatives, Banque Misr is also working on developing suitable systems to manage environmental and social (E&S) risks in accordance with global best practices. These systems will help the Bank identify and mitigate potential E&S risks associated with its operations and ensure that it operates in a socially and environmentally responsible manner.
Driving A POSITIVE IMPACT

Banque Misr is committed to driving positive impact through its operations by integrating sustainable practices in its lending and investment activities, and overall operations. The Bank evaluates its portfolio's impact on society and the environment through a rigorous portfolio impact assessment process.

BM supports projects that create positive social and environmental impact while generating financial returns. Additionally, the Bank is committed to supporting its customers in their own sustainability journeys by providing sustainable finance solutions.
6. Driving a Positive Impact

6.1 Impact Analysis and Target Setting

6.1.1 Impact Identification

Banque Misr is a founding signatory of the Principles of Responsible Banking Initiative that demonstrates the Bank's proactive approach to create positive impact and commitment to sustainable practices.

In line with the PRB Principle 2: “Impact Assessment and Target Setting”, Banque Misr performed a comprehensive impact assessment for its complete portfolio, to identify, assess, and manage its finance and investment activities. Banque Misr leveraged the latest version of the UNEP-FI Portfolio Impact Analysis Tool (Version 3), developed by the Positive Impact Initiative and the United Nations Environment Programme Finance Initiative (UNEP FI). This cutting-edge tool was utilized to evaluate the environmental, economic, and social impacts of the Bank's portfolio.

The Bank's portfolio impact analysis provides a comprehensive view of the potential risks and impacts associated with its portfolio. The results generated from the portfolio analysis tool empower Banque Misr to seize the opportunities to set science-based targets that align with the Sustainable Development Goals (SDGs) and the Paris Agreement. This approach positions Banque Misr at the forefront of responsible banking practices in Egypt.

Banque Misr has conducted a thorough evaluation of its portfolio to determine the key areas with the most significant positive and negative impacts. This assessment took into consideration three key factors: "Scope", "Portfolio Composition", and "Context & Relevance" in the identified areas. Through this process, Banque Misr was able to identify the areas where the Bank have significant impact, both positive and negative, and take necessary measures to enhance the former and mitigate the latter.
1. Scope

Banque Misr's commitment to sustainability and responsible banking practices is reflected in its comprehensive impact assessment of its lending and investment portfolio. BM has conducted a comprehensive evaluation that covers its Retail Banking, Corporate Banking, SMEs Banking, and Investment Banking portfolios, offering a 360 view of the Bank's activities and their impact. The exclusivity of both Conventional and Islamic banking activities in the analysis, illustrates Banque Misr's commitment to PRB core.

This comprehensive impact assessment reflects the Bank's efforts to understand and address the social, environmental, and economic impacts of its activities, and to ensure that it is contributing to a more sustainable future. Our retail, corporate and SMEs banking activities account for 39.4%, 16.1% and 9% of the gross income (revenue) of the Bank, respectively, as of 30th of September, 2022.

2. Portfolio Composition

Banque Misr's impact assessment is designed to consider the most critical sectors in which the Bank is directing its business activities. The assessment not only considers the activities and processes of each business function, but also assesses the risks associated with the resources used in these activities against country-specific threats. This level of due diligence and risk management is critical to ensure that the activities are aligned with responsible banking practices.

To further refine the assessment, the Corporate Banking, Investment Banking and Business Banking portfolios are segmented based on the International Standard Industrial Classification (ISIC) up to the fourth level, providing a more granular view of the bank's activities and their relevant impact.
This segmentation allows Banque Misr to gain a deeper understanding of the industries in which it operates and to make informed decisions about the sectors in which it invests and lends.

BM's commitment to thorough and full impact assessments shows care for the communities it serves. The Investment Banking portfolio was fully covered in the assessment, ensuring that the Bank had a complete understanding of the potential risks and impacts associated with this aspect of its business.

In light of the large size of the Corporate and Business Banking portfolios, Banque Misr took a strategic approach to the selection of the sectors to include in the analysis. To ensure a comprehensive and thorough impact assessment, the Bank considered three key factors while selecting the most critical sectors.

<table>
<thead>
<tr>
<th>Sectors with the largest share of the portfolio - Banque Misr - consider the sectors that constitute the largest portion of its lending and investment activities, as these are likely to have the greatest impact.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key negative and positive sectors - Banque Misr evaluated the sectors that have the potential to have either a positive or negative impact on its portfolio, to better understand and address these impacts.</td>
</tr>
<tr>
<td>Sectors that align with the national and CBE's direction - Banque Misr also considered the sectors that best fit with the national and CBE's direction in terms of sustainability and responsible banking practices.</td>
</tr>
</tbody>
</table>

Through this carefully considered approach to impact assessment, Banque Misr was able to gain a complete understanding of its lending and investment portfolios and make informed decisions.

The 10 key sectors that Banque Misr finances through its Corporate Banking, MSMEs and Investment Banking portfolios are summarized below. By focusing on these 10 key sectors, Banque Misr is able to direct its resources and expertise towards areas that have the potential to drive the most positive impact, while also managing and mitigating the potential risks associated with these activities.

The assessment also covers the main consumer products and services that Banque Misr offers to its retail customers including certificate of deposits, current accounts, saving accounts, home loans, vehicle related loans, credit cards, consumer loans and overdrafts and other specialized credit.
## Retail Banking

### Liabilities products
- Certificate of deposits: 81.52%
- Saving accounts: 15.8%
- Current accounts with payment services: 2.7%

### Assets products
- Mortgages/Home Loans: 47.85%
- Credit Cards: 14.01%
- Vehicle related loans: 16.7%
- Other Specialized Credit: 16.1%
- Consumer Loans and Overdrafts: 5.21%
- Education-related loans: 0.09%

## Corporate Banking

### Products/Sectors identified
- Construction of Buildings: 20.8%
- Retail trade activities: 13.1%
- Extraction of Crude Petroleum: 8.2%
- Construction of Roads and Railways: 6.9%
- Real estate activities on a fee or contract basis: 5.8%
- Sale of motor vehicles: 2.8%
- Manufacture of bakery products: 2.7%
- Passenger rail transport, interurban: 2.5%
- Financial leasing: 2.4%
- Manufacture of basic iron and steel: 2.3%
### Business Line

#### Business Banking (SMEs)

<table>
<thead>
<tr>
<th>Products/Sectors Identified</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of Buildings</td>
<td>9.9%</td>
</tr>
<tr>
<td>Wholesale of food and beverages</td>
<td>3.5%</td>
</tr>
<tr>
<td>Sale of motor vehicles</td>
<td>3.12%</td>
</tr>
<tr>
<td>Manufacture of plastics and synthetic rubber in primary forms</td>
<td>2.95%</td>
</tr>
<tr>
<td>Construction of utility projects</td>
<td>2.88%</td>
</tr>
<tr>
<td>Retail sale of electrical household appliances, furniture, lighting equipment and other household articles in specialized stores</td>
<td>2.82%</td>
</tr>
<tr>
<td>Manufacture of wearing apparel, except fur apparel</td>
<td>2.58%</td>
</tr>
<tr>
<td>Sale of motor vehicle parts and accessories</td>
<td>2.54%</td>
</tr>
<tr>
<td>Other specialized construction activities</td>
<td>2.46%</td>
</tr>
<tr>
<td>Trusts, funds and similar financial entities</td>
<td>2.44%</td>
</tr>
</tbody>
</table>

### Business Line

#### Investment Banking

<table>
<thead>
<tr>
<th>Products/Sectors Identified</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other financial service activities, except insurance and pension funding activities, n.e.c.</td>
<td>43.1%</td>
</tr>
<tr>
<td>Real estate activities on a fee or contract basis</td>
<td>22.93%</td>
</tr>
<tr>
<td>Trusts, funds and similar financial entities</td>
<td>15.9%</td>
</tr>
<tr>
<td>Other monetary intermediations</td>
<td>8.06%</td>
</tr>
<tr>
<td>Manufacture of basic chemicals</td>
<td>3.24%</td>
</tr>
<tr>
<td>Short term accommodation activities</td>
<td>1.50%</td>
</tr>
<tr>
<td>Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus</td>
<td>0.72%</td>
</tr>
<tr>
<td>Construction of buildings</td>
<td>0.56%</td>
</tr>
<tr>
<td>Data processing, hosting and related activities</td>
<td>0.53%</td>
</tr>
<tr>
<td>Casting of iron and steel</td>
<td>0.52%</td>
</tr>
</tbody>
</table>
Context

Banque Misr has meticulously conducted a comprehensive impact assessment on its primary area of operations, Egypt, which constitutes a significant portion of the bank’s overall operations. The assessment incorporated the unique country impact needs, highlighting the challenging areas in Egypt. With the assistance of environmental, social, and economic experts, BM meticulously examined the level of impact needs in each impact area outlined in the Portfolio Impact Analysis Tool.

The bank’s impact assessment exercise was thorough, and data driven. It tracked relevant indicators for the various impact topics from the baseline resources provided in the tool, as well as additional credible sources such as Egypt’s National Climate Change Strategy 2050 and the recent Voluntary National Review (VNR 2021). This ensured that the bank’s impact assessment was a holistic one, taking into consideration the country’s diverse impact needs.

The priority areas for Egypt are marked ‘X’ and are identified as such if there is at least a high level of need (3 or 4) or if the area is considered to be a priority based on policy documents.
6. DRIVING A POSITIVE IMPACT

6.1.2 Impact Assessment

The impact assessment reveals that the Corporate Banking, SMEs Banking, Investment Banking and Retail Banking Portfolios have positive social and economic impacts. However, they impose a negative environmental impact. To pinpoint the areas of significant impact, we referred to established sectors' associations and their corresponding impact domains.

The process of identifying these impact areas involved scrutinizing the links between the sectors financed and the identified areas of impact. Furthermore, we provided ample justifications for these impacts, considering the unique nature of each sector and the prevailing national context.
Livelihood, healthy economies, availability, accessibility, affordability and quality of resources and services have been identified as significant areas of positive impact, as corporates play a substantial role in reinforcing equality and promoting sustained and inclusive growth. As a financial institution dedicated to this cause, Banque Misr has been instrumental in financing large corporations in key sectors such as construction, retail trade, and bakery production, creating employment and wage opportunities while providing essential infrastructure for the communities they serve.

Our commitment to corporate banking is evident in our support for real estate activities, crude petroleum extraction, construction of roads and railways, and passenger rail transport and interurban connectivity. These sectors play a vital role in promoting financial inclusion, energy, and connectivity, and contribute to positive impacts on both livelihoods and healthy economies.

By leveraging our financial expertise and partnering with key players in these sectors, Banque Misr has made a significant contribution to promoting economic growth, reducing inequalities, and improving the quality of life for individuals and communities across the region. Our continued commitment to this cause is unwavering, as we strive to drive sustainable development and ensure a brighter future for all.

While corporates play an essential role in promoting economic growth and creating employment opportunities, it is critical to acknowledge that certain sectors associated with corporate banking can have negative impacts on important areas such as Health & Safety, Circularity (Resource Intensity and Waste), and Climate Stability.

At Banque Misr, we recognize the importance of mitigating these negative impacts and take our role in addressing these issues seriously.

Our corporate banking portfolio includes sectors such as construction of buildings, retail trade activities, extraction of crude petroleum, and construction of roads and railways, which have been identified as having negative impacts on health and safety, resource consumption, GHG emissions, and hazardous waste generation. We acknowledge that these impacts must be mitigated through responsible lending practices, rigorous due diligence, and continuous monitoring.

As a result, we have implemented a rigorous project screening process to ensure that all financed projects meet the required environmental and social standards and regulations. Our screening process involves a comprehensive assessment of the environmental and social impacts associated with each project, including the potential effects on climate stability, resource intensity and waste, and health and safety.

We also place a strong emphasis on regulatory compliance and ensure that all financed projects adhere to relevant local and international regulations and standards. This includes compliance with environmental laws and regulations, labor and human rights standards, and other social and governance requirements. Through this approach, we work with our clients to promote responsible practices, improve resource efficiency, reduce emissions, and enhance circularity by minimizing waste and promoting recycling and reuse.
## Identified Impact Areas

### Positive Impact Areas

<table>
<thead>
<tr>
<th>Impact Areas</th>
<th>Impact Topics</th>
<th>Proportion of the portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livelihood</td>
<td>Employment, Wages, Social Protection</td>
<td>91.17%</td>
</tr>
<tr>
<td>Healthy Economies</td>
<td>Flourishing MSMEs</td>
<td>73.08%</td>
</tr>
<tr>
<td>Availability, accessibility, affordability, quality of resources and services</td>
<td>Water, Food, Energy, Housing, Healthcare &amp; sanitation, Education, Mobility, Information, Connectivity, Culture &amp; heritage, Finance</td>
<td>62.8%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Infrastructure</td>
<td>45.4%</td>
</tr>
<tr>
<td>Health &amp; Safety</td>
<td>Health &amp; Safety</td>
<td>29.7%</td>
</tr>
</tbody>
</table>

### Negative Impact Areas

<table>
<thead>
<tr>
<th>Impact Areas</th>
<th>Impact Topics</th>
<th>Proportion of the portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health &amp; Safety</td>
<td>Health &amp; Safety</td>
<td>91.17%</td>
</tr>
<tr>
<td>Circularity</td>
<td>Resource Intensity &amp; Waste</td>
<td>91.03%</td>
</tr>
<tr>
<td>Livelihood</td>
<td>Wages, Social Protection</td>
<td>90.4%</td>
</tr>
<tr>
<td>Climate Stability</td>
<td>Climate Stability</td>
<td>83.4%</td>
</tr>
<tr>
<td>Biodiversity &amp; healthy ecosystems</td>
<td>Waterbodies, air, soil and habitat</td>
<td>83.4%</td>
</tr>
</tbody>
</table>
B. SMEs Banking

Livelihood, healthy economies and availability, accessibility, affordability and quality of resources and services have been identified as the most significant positive impact areas associated with the SMEs banking portfolio.

At Banque Misr, we recognize that SMEs play a vital role in driving economic growth and promoting sustainable development. As part of our commitment to social responsibility, we have identified the key sectors within our SMEs banking portfolio that have the most significant positive impacts on livelihoods, healthy economies, and the availability, accessibility, affordability, and quality of resources and services.

Our analysis has shown that the construction of buildings, wholesale of food and beverages, sale of motor vehicles, manufacture of plastics and synthetic rubber in primary forms, construction of utility projects, and retail sale of electrical household appliances, furniture, lighting equipment, and other household articles in specialized stores are the sectors that create employment and job opportunities, contribute to mobility and connectivity, and have the most significant positive impact on livelihoods and healthy economies.

We believe that providing finance for SMEs in these sectors will lead to the growth and success of MSMEs and contribute to the development of healthy and inclusive economies. Our commitment to supporting SMEs goes beyond financial assistance, as we also offer business advisory services to help SMEs develop and expand their operations.

Through our SMEs banking portfolio, we are contributing to sustainable economic growth, promoting job creation, and fostering the development of healthy and inclusive economies. We will continue to work closely with our SME clients to understand their needs, provide tailored financial solutions, and promote responsible business practices that support their growth and success.

On the other hand, we recognize that while our SMEs’ banking portfolio has significant positive impacts on livelihoods, healthy economies, and the availability, accessibility, affordability, and quality of resources and services, it also has negative impacts on health and safety, circularity, and climate stability. Our analysis has shown that the construction of buildings, wholesale of food and beverages, sale of motor vehicles, manufacture of plastics and synthetic rubber in primary forms, and construction of utility projects are the sectors within our SMEs banking portfolio that have the most significant negative impacts on health and safety, circularity, and climate stability.

These sectors are associated with huge GHG emissions and hazardous wastes, and often pose risks to the health and safety of workers and surrounding communities. We recognize the importance of mitigating these negative impacts and have implemented measures to ensure that our financed SMEs comply with environmental and social standards and regulations. We work closely with our SME clients to identify potential risks and develop strategies to mitigate negative impacts on the environment and surrounding communities.
### Identified Impact Areas

#### Positive Impact Areas

<table>
<thead>
<tr>
<th>Impact Areas</th>
<th>Impact Topics</th>
<th>Proportion of the portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livelihood</td>
<td>Employment, Wages, Social Protection</td>
<td>70.2%</td>
</tr>
<tr>
<td>Healthy Economies</td>
<td>Flourishing MSMEs</td>
<td>60.5%</td>
</tr>
<tr>
<td>Availability, accessibility, affordability, quality of resources and services</td>
<td>Healthcare &amp; sanitation, Education, Mobility, Information, Connectivity, Culture &amp; heritage, Gender Equality</td>
<td>60.5%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Infrastructure</td>
<td>31.8%</td>
</tr>
<tr>
<td>Health &amp; Safety</td>
<td>Health &amp; Safety</td>
<td>17.0%</td>
</tr>
</tbody>
</table>

#### Negative Impact Areas

<table>
<thead>
<tr>
<th>Impact Areas</th>
<th>Impact Topics</th>
<th>Proportion of the portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health &amp; Safety</td>
<td>Health &amp; Safety</td>
<td>70.2 %</td>
</tr>
<tr>
<td>Livelihood</td>
<td>Wages and Social Protection</td>
<td>69.8%</td>
</tr>
<tr>
<td>Biodiversity &amp; healthy ecosystems</td>
<td>waterbodies, air, soil and habitats</td>
<td>64.5%</td>
</tr>
<tr>
<td>Circularity</td>
<td>Resource Intensity and Waste</td>
<td>59.4%</td>
</tr>
<tr>
<td>Climate Stability</td>
<td>Climate Stability</td>
<td>56.8%</td>
</tr>
</tbody>
</table>
6. DRIVING A POSITIVE IMPACT

Positive Impact Areas

- Integrity & security of person
- Biodiversity & healthy ecosystems
- Climate stability
- Socio-economic convergence
- Infrastructure
- Circularity
- Healthy economics
- Strong institutions, peace & stability
- Livelihood
- Equality & justice
- Healthy economics
- Availability, accessibility, affordability, quality of resources & services

Negative Impact Areas

- Integrity & security of person
- Biodiversity & healthy ecosystems
- Climate stability
- Socio-economic convergence
- Infrastructure
- Circularity
- Healthy economics
- Strong institutions, peace & stability
- Livelihood
- Equality & justice
- Healthy economics
- Availability, accessibility, affordability, quality of resources & services
C. Investment Banking

The Investment banking portfolio has been identified to have significant positive impacts on livelihood, availability, accessibility, affordability, and quality of resources and services, as well as health & safety. The sectors within this portfolio, such as other financial service activities, real estate activities on a fee or contract basis, trusts, funds and similar financial entities, and other monetary intermediations, contribute to employment and wage opportunities, sector diversity, flourishing MSMEs, and financial inclusion, ultimately leading to healthy and inclusive economies.

However, the Investment banking portfolio is also associated with negative impacts on health and safety, circularity, and climate stability. These negative impacts can arise from sectors within the portfolio that create wage inequality, generate health, emissions, and waste hazards.

At Banque Misr, we recognize the importance of balancing the positive and negative impacts of our Investment banking portfolio. We are committed to implementing measures to mitigate these negative impacts, including screening projects to ensure compliance with environmental and social standards and regulations, identifying potential risks, and working closely with our clients to develop strategies to mitigate negative impacts on the environment and surrounding communities.

By doing so, we aim to continue promoting sustained and inclusive growth while also ensuring the health and safety of workers and surrounding communities.
### Identified Impact Areas

#### Positive Impact Areas

<table>
<thead>
<tr>
<th>Impact Areas</th>
<th>Impact Topics</th>
<th>Proportion of the portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livelihood</td>
<td>Employment, Wages, Social Protection</td>
<td>99.7%</td>
</tr>
<tr>
<td>Availability, accessibility, affordability, quality of resources and services</td>
<td>Water, Food, Energy, Housing, Healthcare &amp; sanitation, Education, Mobility, Information, Connectivity, Culture &amp; heritage, Finance</td>
<td>73.5%</td>
</tr>
<tr>
<td>Health &amp; Safety</td>
<td>Health &amp; Safety</td>
<td>66.5%</td>
</tr>
<tr>
<td>Socioeconomic convergence</td>
<td>Socioeconomic convergence</td>
<td>60%</td>
</tr>
<tr>
<td>Healthy Economies</td>
<td>Sector Diversity &amp; Flourishing MSMEs</td>
<td>26.4%</td>
</tr>
</tbody>
</table>

#### Negative Impact Areas

<table>
<thead>
<tr>
<th>Impact Areas</th>
<th>Impact Topics</th>
<th>Proportion of the portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health &amp; Safety</td>
<td>Health &amp; Safety</td>
<td>99.7%</td>
</tr>
<tr>
<td>Circularity</td>
<td>Resource Intensity &amp; Waste</td>
<td>99.7%</td>
</tr>
<tr>
<td>Availability, accessibility, affordability, quality of resources and services</td>
<td>Water, Food, Energy, Housing, Healthcare &amp; sanitation, Education, Mobility, Information, Connectivity, Culture &amp; heritage, Finance</td>
<td>82.8%</td>
</tr>
<tr>
<td>Equality &amp; Justice</td>
<td>Gender equality, Ethnic/racial equality, Age discrimination, Other vulnerable groups</td>
<td>69.9</td>
</tr>
<tr>
<td>Climate Stability</td>
<td>Climate Stability</td>
<td>29.8%</td>
</tr>
</tbody>
</table>
Positive Impact Areas

- Integrity & security of person
- Biodiversity & healthy ecosystems
- Climate stability
- Socio-economic convergence
- Infrastructure
- Healthy economics
- Circular economy
- Livelihood
- Strong institutions, peace & stability
- Equality & justice
- Healthy economics

Negative Impact Areas

- Integrity & security of person
- Biodiversity & healthy ecosystems
- Climate stability
- Socio-economic convergence
- Infrastructure
- Healthy economics
- Circular economy
- Livelihood
- Strong institutions, peace & stability
- Equality & justice
- Healthy economics
D. Retail Banking

Retail banking is a critical driver of financial inclusion and economic growth, as it provides consumers with a wide range of financial products that meet their unique needs. Our Retail Banking Portfolio has a significant positive impact on financial inclusion, mobility, and socio-economic convergence, through a wide range of products such as certificate of deposits, current accounts, saving accounts, credit cards, vehicle-related loans, and home loans (mortgages).

These products facilitate access to financial services and promote more inclusive societies. This leads to enhanced housing, mobility and socio-economic convergence, ultimately supporting more inclusive growth. We acknowledge that one of the limitations that we faced during the impact assessment of the Consumer Banking Portfolio is the unavailability of data on the segmentation of products and services offered to retail customers by income levels (low-income, middle-income, and high-income).

This lack of data may affect the specificity of the impact assessment results on the Consumer Banking Portfolio. We are committed to addressing this limitation and continue to work towards more comprehensive impact assessments in the future.

<table>
<thead>
<tr>
<th>Impact/Topic</th>
<th>Associated Impacts (Positive)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>Housing, Education, Mobility, Information, Flourishing MSMEs, socio-economic convergence.</td>
</tr>
</tbody>
</table>
Banque Misr’s Significant Areas of Impact

We have conducted a thorough analysis of our portfolio at Banque Misr and identified significant areas of positive impact, particularly in the economic and social spheres. Livelihood, Finance and Healthy economies have been identified as our key areas of positive impacts.

The livelihoods of individuals and communities are enhanced by our activities, and our retail and SME banking portfolios contribute to financial inclusion, sector diversity, and the creation of job opportunities. We also foster healthy and inclusive economies by supporting the availability, accessibility, affordability, and quality of resources and services.

However, our analysis also reveals negative social and environmental impacts in the areas of health and safety, circularity, and climate stability. We recognize the potential risks associated with our activities, and we are committed to mitigating these impacts through the implementation of environmental and social standards and regulations. We believe that by working closely with our clients, we can develop strategies to minimize our negative impacts and create a more sustainable future for all.
### Positive

<table>
<thead>
<tr>
<th>Economic and Social Impact Areas</th>
<th>Impact Topics</th>
<th>SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livelihood</td>
<td>Employment, Wages, Social Security</td>
<td>![SDG icons]</td>
</tr>
<tr>
<td>Availability, accessibility, affordability, quality of resources and services</td>
<td>Finance</td>
<td>![SDG icons]</td>
</tr>
<tr>
<td>Healthy Economies</td>
<td>Flourishing MSMEs</td>
<td>![SDG icons]</td>
</tr>
</tbody>
</table>

### Negative

<table>
<thead>
<tr>
<th>Economic and Social Impact Areas</th>
<th>Impact Topics</th>
<th>SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health &amp; Safety</td>
<td>Health &amp; Safety</td>
<td>![SDG icons]</td>
</tr>
<tr>
<td>Circularity</td>
<td>Resource Intensity &amp; Waste</td>
<td>![SDG icons]</td>
</tr>
<tr>
<td>Climate Stability</td>
<td>Climate Stability</td>
<td>![SDG icons]</td>
</tr>
</tbody>
</table>
Heat Map

We constructed a heat map of our customer lending portfolio to understand which sectors or activities we provide loans for generating positive and negative impacts on the four selected significant areas of impact. The green and orange squares indicate that this sector/activity has a positive or a negative impact on each impact area, respectively.

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Livelihood</th>
<th>Availability, accessibility, affordability, quality of resources and services</th>
<th>Healthy Economies</th>
<th>Circularity</th>
<th>Climate Stability</th>
<th>Health &amp; Safety</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of Buildings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail trade Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extraction of Crude Petroleum</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction of Roads &amp; Railways</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale of food &amp; beverage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial service activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trusts, funds and similar financial entities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6.1.3 Target Setting

Banque Misr selected Circularity and Financial Inclusion (Finance) as the two most significant impacts areas to set targets on in the upcoming years. BM is in the process of identifying the SMART targets that will increase its positive impacts while reducing the negative impacts of its activities.

Concerning financial inclusion, the Bank will start collecting data on the retail portfolio segmentation (including current accounts, saving accounts, certificate of deposits and credit) based on “Know Your Customer” (KYC) as follows:

- Income segmentation: Value of products and number of customers for each income category (low-income, middle-income, high-income).
- Age segmentation: Value of products and number of customers for each group.
- Gender segmentation: Value of products and number of customers by gender (female and male).
- Geographical segmentation: Value of products and number of customers by geographical location/governorate.

After measuring the baseline, the Bank will set quantitative targets to increase products and loans provided to the most vulnerable groups such as women, low-income and youth, in order to promote financial inclusion. The bank is working on defining core indicators for measuring its performance and a baseline upon which it shall set targets.

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Data Source</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td># of products and services in the portfolio with a focus on financial inclusion</td>
<td>Internal data</td>
<td>Actions</td>
</tr>
<tr>
<td>% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health</td>
<td>Internal data</td>
<td>Actions</td>
</tr>
<tr>
<td># of partnerships active to achieve financial health and inclusion targets</td>
<td>Internal data</td>
<td>Actions</td>
</tr>
<tr>
<td># of new customers per month</td>
<td>Transactional</td>
<td>Output</td>
</tr>
<tr>
<td>% of customers with effective access to a basic banking product</td>
<td>Transactional</td>
<td>Output</td>
</tr>
<tr>
<td>% of customers actively using the online/mobile banking platform/tools</td>
<td>Transactional</td>
<td>Outcome</td>
</tr>
<tr>
<td>% of customers supported with dedicated customer journey/advisory services</td>
<td>Transactional</td>
<td>Outcome</td>
</tr>
</tbody>
</table>
Regarding circularity, Banque Misr will start a pilot analysis on the key corporates financed under the key sectors in the corporate banking portfolio. These sectors include construction of building, extraction of crude petroleum and retail trade that collectively represent the largest share of the corporate banking portfolio and have negative associations with circularity.

The Bank selected the construction sector as the pilot sector. Relevant to the sector nature, energy efficiency/reduction indicators and waste indicators will be collected to reference key impact indicators for circularity. BM will work on collecting data for these indicator to be able to set quantitative targets in the upcoming years. In the meantime, the Bank will rely on engagement indicators through engaging with key corporates in the mentioned key sector to engage with. Engagement will take various forms:

- Improving our clients’ understanding of circular solutions and potential positive impact on climate, biodiversity, waste, and pollution.
- Sending data requests to clients to understand alignment of economic activities with the circular economy.

<table>
<thead>
<tr>
<th>Action</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engaging with clients</td>
<td>1. Energy Efficiency Indicators</td>
</tr>
<tr>
<td></td>
<td>- Energy Purchased: Non-Renewable</td>
</tr>
<tr>
<td></td>
<td>- Energy Purchased: Renewable</td>
</tr>
<tr>
<td></td>
<td>- Energy Purchased: Total</td>
</tr>
<tr>
<td></td>
<td>- Energy use reduction (GWh p.a. or %)</td>
</tr>
<tr>
<td></td>
<td>- Energy efficiency (USD/GWh)</td>
</tr>
<tr>
<td></td>
<td>2. Waste Indicators:</td>
</tr>
<tr>
<td></td>
<td>- Waste Produced: Hazardous Waste</td>
</tr>
<tr>
<td></td>
<td>- Waste Disposed: Recycled/Reused</td>
</tr>
<tr>
<td></td>
<td>- Recycled Materials</td>
</tr>
<tr>
<td></td>
<td>- Waste Disposed: Landfill</td>
</tr>
<tr>
<td></td>
<td>- Biodegradable Materials</td>
</tr>
<tr>
<td></td>
<td>- Waste Disposed: Total</td>
</tr>
<tr>
<td></td>
<td>- Waste Produced: Total</td>
</tr>
<tr>
<td></td>
<td>- Waste Produced: Non-Hazardous Waste</td>
</tr>
<tr>
<td></td>
<td>- Waste Reduced</td>
</tr>
<tr>
<td></td>
<td>Number of Circular Economy Workshops and number/percent of Client Participation/engagement.</td>
</tr>
<tr>
<td></td>
<td>Engage with clients to determine appropriate KPIs to assess and monitor the circularity of projects or activities.</td>
</tr>
<tr>
<td></td>
<td>Energy Conservation Strategy: Indicates whether the organization implements an energy conservation strategy to reduce its operational energy usage.</td>
</tr>
</tbody>
</table>
Once the targets are set, the bank will develop the implementation plan and monitoring procedures that will be used to ensure that targets are met. Following the establishment of the targets, the progress on implementing these targets will be reported.

<table>
<thead>
<tr>
<th>Action</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial products and services offering</strong></td>
<td></td>
</tr>
<tr>
<td>Develop new financial products, e.g., resource efficiency or circular performance based financial products such as sustainability linked loans, sustainability linked bonds or green bonds including circularity criteria.</td>
<td>Develop green credit line to encourage energy efficiency and waste management/recycling projects</td>
</tr>
<tr>
<td>Develop new financial services aiming at accelerating the transition to a circular economy, e.g., technical assistance to clients.</td>
<td></td>
</tr>
<tr>
<td>Actively stimulate and scale innovation for the circular economy, e.g., by connecting growth-stage entrepreneurs to corporate clients within your bank’s clients’ base.</td>
<td>Number of Collaborations between Growth-Stage Entrepreneurs and Corporate Clients in Circular Economy Projects</td>
</tr>
</tbody>
</table>

- **Recycling Policy**: Indicates whether the organization implements a recycling policy in its operating facilities.
- **Supplier Screening Policy**: Indicates whether the organization has a written policy of evaluating supplier organizations based on their social and environmental performance and a system to monitor compliance with this policy.
- Percentage of new suppliers that were screened using environmental criteria.
6.2 Sustainable Lending
6.2.1 Empowering SMEs

Banque Misr recognizes the significant role SMEs play in creating job opportunities, and driving economic growth and development. Therefore, the Bank has placed a high priority on empowering SMEs. Acknowledging their potential to create jobs, generate income, and stimulate innovation, Banque Misr understands that SMEs require financial support, access to resources, and helpful environment to succeed. BM has been dedicated to providing these enablers through various initiatives and partnerships.

To fulfill SMEs needs, the Bank partnered with Frankfurt School for Finance and Management through the European Bank for Reconstruction and Development (EBRD).

This collaboration aims to provide world-class consultancy services to Banque Misr, focusing on various aspects of its lending strategy, capacity building, and scoring models.

Through the partnership, Banque Misr will receive guidance and support from Frankfurt School's experts, enabling the Bank to refine and improve its lending practices to better serve the unique requirements of SMEs.

The collaboration is a testament to Banque Misr's commitment to continuously upgrade its internal processes and capabilities to better support the growth and development of SMEs in Egypt.

With this partnership, Banque Misr is poised to become a leading player in the SME banking landscape, providing tailored solutions and expert guidance to entrepreneurs and small business owners.

Banque Misr also has partnered with Geidea to offer integrated electronic payment solutions to its vendors and small and medium-sized enterprise (SME) customers. This strategic collaboration enables Banque Misr to provide specialized e-commerce services that facilitate various online payment options for vendors. Including acceptance of all types of cards, as well as expanding the use of QR-code service through point-of-sale (POS) terminals and e-commerce platforms.
Moreover, the partnership also includes an installment payment service for BANQUE MISR credit card holders, providing further convenience and flexibility for customers. With this initiative, BANQUE MISR is well-positioned to provide enhanced payment solutions to vendors and SMEs, promoting digital payments and e-commerce in the Egyptian market.

In a move to promote digital transformation in the SME sector, Banque Misr has signed a collaboration protocol with Vodafone Egypt. Through this collaboration, Banque Misr provides a range of offerings via Vodafone's business support platform, V-Hub. The platform offers users access to an online knowledge center and one-on-one support service from business experts, which will help SMEs to grow and thrive. The protocol aims to provide a suite of solutions to support Vodafone's SME clients with both financial and non-financial services.

This collaboration is an important step towards supporting the SME sector in Egypt, which is a crucial component of the country's economy. With the help of Vodafone's extensive network and Banque Misr's financial expertise, SMEs will have access to the tools and resources needed to succeed in the digital economy. By providing SMEs with the necessary support, this protocol aims to create a more inclusive and dynamic business environment, fostering growth and prosperity for all.
Green for Growth Fund (GGF)

Banque Misr has received an investment from the Green for Growth Fund (GGF) to support its on-lending activities for green loans to corporates, small and medium-sized enterprises (SMEs), and households in Egypt. The loans will be allocated to renewable energy projects, energy efficiency measures, and resource efficiency measures across a wide range of sectors. In addition to Banque Misr agreement with the European Investment Bank to provide funding to private small and medium-sized enterprises (SMEs) in Egypt. The new credit line is particularly timely, as SMEs require significant support to overcome the challenges brought about by the COVID-19 pandemic. Banque Misr also partnered with the European Investment Bank to fund Egyptian private small and medium-sized enterprises. The timing of the new credit line is strategic, as SMEs need strong support to overcome the challenges that emerged after COVID-19.

Ministry of Trade and Industry

Banque Misr signed a Memorandum of Understanding (MoU) to finance Egyptian exports to international markets, especially across Africa. The MoU aims to boost the competitive edge of Egyptian exports and support entrepreneurs and small businesses. The initiative raises awareness of potential target markets, international trade, shipping procedures, and available funding schemes. This program offers a variety of products and services, ranging from international trade operations to cash management.

“Nilepreneurs”, initiative

The NilePreneurs program is a laudable state-led initiative aimed at cultivating entrepreneurial spirit among university students. As part of its commitment to this cause, Banque Misr actively participates in the national initiative through two channels.

Firstly, it provides mentorship and training to the students, helping them develop the skills required to launch and manage successful businesses. The company’s seasoned professionals offer valuable guidance, sharing their expertise and experience to help students navigate the complex world of entrepreneurship. Secondly, it supports the program financially, contributing funds to help finance the students’ start-up ventures. By providing the necessary capital, BANQUE MISR helps the students turn their innovative ideas into viable businesses, creating new job opportunities and contributing to the growth of the Egyptian economy.
The trainings provided by Banque Misr included the following:

I. Awareness, Advice and Knowledge Services
These services aim to encourage project owners to undertake the necessary measures for combating COVID-19, as well as precautionary settings for safeguarding the health of their workers and for labor-intensive projects, they aim for providing advice to customers to avoid halting production, minimize interaction between workers and observe preventive measures and eventually spreading awareness amongst customers regarding the initiatives launched by the Central Bank of Egypt during this period, pertaining to addressing the crisis.

It also helped at rendering technical support to project owners and managers and educating customers on the available online payment schemes and encouraging their use.

II. Marketing Services
Banque Misr encourage customers to avail online marketing to highlight products, drive e-commerce, and direct them to shift from face-to-face marketing to online marketing.

III. Training Services
It also provided training that could assist project owners in mitigating the adverse effects of the current crisis and assisting them in completing banking transactions in lieu of social distancing; as part of crisis management training. In addition to capitalizing on opportunities, cutting costs, increasing sales, adjusting to market changes and practicing corporate online banking. As well as providing the required training, guidance and advice through videos or direct broadcast to customers.

IV. Business Partner Services
This assisted customers in communicating with targeted clients and urgent suppliers during this time.

V. Financial Analysis Services
This mainly was about performing a financial analysis for the company in order to determine its financial policy, while working to establish a new policy for managing the subsequent financial phase – in case of losses to the project – and capitalizing on CBE initiatives. Moreover, providing guidance and advice on cutting costs, increasing sales and adjusting to current market changes and developments, in order to timely fulfill banking commitments and emerge from the crisis with minimum losses.

VI. Feasibility Study Services
Conducting feasibility studies for new project owners in addition to new feasibility studies for existing projects in order to expand activities, increase production and boost sales.

Through its involvement in the NilePreneurs program, Banque Misr plays a critical role in nurturing the next generation of entrepreneurs and driving sustainable economic growth in Egypt.
Business Development Service Centers

BM established Business Development Service Centers to support MSMEs and entrepreneurs. The centers provide MSMEs and entrepreneurs with non-financial services to qualify them for funding opportunities and enhance their communication skills to develop their businesses. The services are offered in three branches in Sadat City, Minoufiya governorate, New Damietta, Damietta governorate, and Aton, Luxor governorate.

The centers offer an array of services, including generating ideas for new businesses, registration and licensing, feasibility studies, facilitating access to funding, financial analysis, and assessment services, networking with vendors and targeted markets, exchanging products and services, publishing available data and information on SMEs via Egypt’s project platform, training, capacity building, and workshop services.

6.2.2 Financial inclusion and financial literacy

Financial inclusion is a critical aspect of achieving sustainable development goals, such as eradicating poverty, creating employment opportunities, and promoting access to education and healthcare. At the Bank, we are committed to promoting financial inclusion through a variety of initiatives and mechanisms that aim to provide marginalized and underprivileged groups with access to banking services. Our goal is to include as many customers as possible in the formal financial sector, which will not only provide them with all available banking services but also have a positive impact on the national economy, leading to an increase in the country’s gross domestic product.

In 2021, BM launched its financial inclusion strategy for the period of 2021 to 2023, with a focus on targeted groups such as youth, women, people with special needs, and farmers. By prioritizing financial inclusion, we are not only fulfilling our social responsibility as a bank, but we are also contributing to the country’s overall development. We believe that everyone should have access to banking services, regardless of their background or socioeconomic status. With our commitment to financial inclusion, we are paving the way for a more inclusive and prosperous future for all.
Banque Misr’s is committed to promote financial inclusion

**Banque Misr actively participates in the financial inclusion of youths’ initiative under the auspices of the Central Bank of Egypt and continues its pioneering role in financially educating thousands of school and university students, in collaboration with the Egyptian banking system model.**

**Banque Misr avidly participates in international women's day and celebrates 20 women in addition to participating in the Arab Financial Inclusion Day, and presents many advantages and free offers in support of Financial Inclusion under the auspices of the Central Bank of Egypt.**

**As well as presenting new offerings and privileges on the occasion of “farmers day” for boosting financial inclusion, under the auspices of the Central Bank of Egypt.**

**It also organizes an educational and athletic event, with the participation of 200 female university students in celebration of international women's day and promoting financial inclusion.**

**Banque Misr has signed an agreement with the International Finance Corporation (IFC) to support women-led businesses, providing tailored financing schemes that meet their specific needs.**

**Banque Misr also collaborated with the Ministry of Youth to expand its branch network to include youth centers and sports facilities, along with the provision of ATMs at these locations. The Bank also provides an electronic collections portal, available through the ministry's mobile application and online portals, in addition to POS and QR code services. This collaboration demonstrates Banque Misr's commitment to integrating young people into the formal banking sector.**

**Banque Misr participated in the CBE's new mortgage program for low and middle-income citizens so that they can obtain housing units at a low interest rate.**

**BM facilitates funding for its customers by providing information on financing products that are best suited for their needs based on their geographical location, nature of activities, and required financing amount. The Bank also assists customers in preparing their credit portfolios and necessary documentation for their financing application. In addition, educating customers on dealing with financing institutions, managing bank accounts, and the factors to consider in order to avoid a bad credit rating by either banking or non-banking institutions. This initiative will start in governorates hosting the business centers and will later expand to other governorates. Programmed services will be provided to our finance customers to ensure that they receive the best possible service.**
Targeted Segments

By targeting specific segments of the population and collaborating with various organizations, Banque Misr has demonstrated its commitment to promoting financial inclusion and literacy across Egypt. The Bank has collaborated with different organizations, including government entities, NGOs, and academic institutions, to provide financial Literacy and services to underserved groups. By partnering with various sectors across the organization, Banque Misr has successfully extended financial services and education to segments that traditionally have had limited access to these resources.

- BM offers three distinct value propositions (Teens, BM, GO) that cater to the needs of young individuals between the ages of 0 and 35. These value propositions, designed to meet the unique financial and non-financial requirements of Teens and Youth, are tailored to their specific needs.

- Banque Misr offers BM youth card through its widely spread branches. The card is issued to clients who have savings accounts which allows youth to obtain a fixed return on their own savings creating self-reliance. The cardholder can easily have access to his account and can benefit from it in making purchases around the globe.

- BM launched the Teens prepaid cards product directed toward the Teens segment to gain the new generation's loyalty and expands the bank's customer base.

- Banque Misr has held physical and virtual lectures for 15 universities and 15 schools. In this context, a protocol was signed with the Ministry of Youth and Sports. Banque Misr also acted as a coordinator for the Egyptian Banking System Model (EBSM). Additionally, another protocol was signed with the Ministry of Local Development in Luxor and Qena to provide financial literacy sessions for the youth.

- BM funds the Rowad 2030 initiative, which offers a range of scholarship opportunities with different educational institutions, including an entrepreneurship program with the University of Cambridge. Rowad 2030 provides a fully funded professional certificate in mastering business skills for entrepreneurs through the American University in Cairo (AUC). It also provides a fully funded professional certificate in cooperation with the German University in Cairo (GUC). The Rowad 2030 project further supervised the implementation of fellowships and masters' programs with King's College London for public officials and government employees. Rowad 2030 aims to build an integrated and inclusive entrepreneurial ecosystem that enables youths to establish their businesses and projects.
Ladies

Banque Misr signed a protocol with the American University in Cairo to partner in the national campaign "Rabiha". Under this campaign, Banque Misr provided several financial literacy sessions to women. Another protocol was signed with the National Council for Women under the national campaign "Development of Egyptian Family". The Bank also signed a protocol with Egyptian NGOs to provide financial literacy sessions to women.

BM launched a pioneer financing initiative called ZAAT to provide comprehensive support to Egyptian women. This program underscores the Bank's unwavering conviction in the transformative power of women in advancing their local communities.
People of Determination

Banking services pose a challenge for people with disabilities. The Central Bank of Egypt recognized the need for extending the financial inclusion initiative for people with disabilities. CBE requested that all banks provide the necessary infrastructure to make banking services accessible to this segment. Additionally, CBE urged banks to create special products to encourage people with disabilities to engage with the banking system. By doing so, financial institutions can help bridge the gap and ensure that everyone has access to financial services.

In an effort to improve accessibility for people with disabilities, Banque Misr has implemented several measures:

- All forms and applications will be available in Braille language to ensure inclusivity.
- All products and services will have their features, terms, and conditions available on the bank's website and social media platforms in sign language.
- All transactions conducted in branches will be securely documented and stored in audio-video recording for the legal period.
- Additionally, at least 10% of Banque Misr branches will be equipped to cater people with disabilities. This will include the provision of automated gates and ramps for ease of access, as well as videos displaying bank products and services with accompanying sign language to be played on branch’s screens.
- Moreover, the Bank has established the "Shawer initiative" to train and prepare staff in effective communication with people with disabilities. In special cases, staff members can even conduct home visits to better serve customers.

These measures demonstrate Banque Misr's commitment to ensuring financial services accessibility to all. BM is also offering attractive financial products and services to people with disabilities, including a savings account with preferential rates and waived fees, ensuring that customers can save their money with ease. Moreover, financing products such as cash and asset financing will be offered with discounted administration fees, making it more affordable for customers to access credit facilities.

The Bank is also providing an imprinted debit card, which will have raised letters to help customers with visual impairments differentiate between different cards and to make transactions independently. In addition to several financial inclusion sessions held in coordination with the Egyptian Banking Institute as well as several financial inclusion sessions at Talaat Harb Club. By providing these specialized products and services, Banque Misr is demonstrating their commitment to the financial inclusion for people with disabilities and its efforts to ensure that everyone has access to the financial resources they need.
Banque Misr's Financial Literacy Initiatives

Drawing inspiration from Small Business Administration's (SBA's) Community Navigator program and CBE's guidance to target underserved areas as part of the presidential initiative Hayah Karima, we have collaborated with various sectors within our organization to launch Commercial Campaigns that aim to serve the community and not just generate profit. With the help of our partners in Regions & Branches, Retail, Corporate Communication, Financial Inclusion, and Nilepreneurs, we have successfully covered 14 governorates, visited 88 squares, and provided over 12,000 underserved citizens with access to more than 19,000 financial and non-financial solutions, including Retail and SME products.

Additionally, Banque Misr donated EGP 15 million to be utilized by the World Food Programme to develop 15 of the poorest villages in Upper Egypt, and coordinated visits to all 15 villages to provide financial literacy and awareness, as well as banking products and solutions to residents and small farmers in the targeted areas.

This program has been instrumental in promoting youth employment through innovative job opportunities and providing financial and non-financial services. It has also empowered women economically by improving their access to financial services and supporting their entrepreneurship endeavors.

The program has organized multiple training sessions to extend financial inclusion to rural communities in Upper Egypt, with 42% of the participants being women. It has also conducted training sessions to raise awareness about solar panels, leading to the installation of many solar stations. For farmers who participated in land consolidation programs, the program provided awareness and training sessions, counseling, and other services to help each group become a bankable and economically self-sufficient entity.

This program's comprehensive approach to empowering the youth and women, promoting financial inclusion in rural communities, and providing services to farmers demonstrates its commitment to creating a more sustainable and inclusive society. By fostering entrepreneurship, financial literacy, and access to modern technologies, this program has played a crucial role in supporting Egypt's economic development and driving progress towards a more prosperous future.
Digital Financial Inclusion

A collaboration has been established with the aim of providing digital financial services to 5,000 beneficiaries per month at the Bishopric. This initiative aims to enable these beneficiaries to carry out a range of financial transactions, including cash withdrawals, transfers, and bill payments, using electronic payment outlets, e-wallets, 100,000 Fawry points of sale, and 12,000 ATMs.

Importantly, the system has been designed to function without the need for on-site branch visits, providing a convenient and streamlined service to beneficiaries. This collaboration reflects a commitment to promoting financial inclusion and enhancing the digital infrastructure of Egypt's financial system. By leveraging the latest technology and digital payment options, the collaboration aims to bring secure, accessible, and innovative financial services to the country's most vulnerable populations, empowering them to participate in the digital economy.

Under the terms of the agreement, Masary has gained access to certain banking transaction channels, including e-payment cards, Meeza cards, and QR-codes, through its partnership with Banque Misr. Additionally, Banque Misr contributed to Masary's successful acquisition of a Payment Facilitator license from the Central Bank of Egypt (CBE), allowing the company to facilitate a wide range of banking transactions for its customers. This collaboration between Banque Misr and Masary represents a significant step forward in promoting financial inclusion and enhancing digital payment options in Egypt. By leveraging the latest technologies and innovative banking solutions, the two companies are working together to create a more accessible, secure, and efficient financial system that benefits all Egyptians, regardless of their income or location.

Banque Misr has also partnered with Fawry, an Egyptian e-payment platform, to launch a digital reward program for customers of leading telecom operators, including Vodafone, Orange, Etisalat, and WE. This initiative aims to encourage and promote financial inclusion by offering vouchers from a list of retailers and discounts on credit/debit card transactions with BANQUE MISR. The reward program can be accessed through a digital platform and offers a convenient and seamless experience for users. This partnership between BANQUE MISR and Fawry demonstrates their commitment to promoting the use of digital payments and enhancing financial inclusion in Egypt, while simultaneously providing customers with valuable rewards and incentives for their loyalty.

Supporting Egyptian Fintech Landscape

Banque Misr is playing a vital role in harnessing and scaling up the entrepreneurial ecosystem in Egypt through its focus on fintech innovation and support for young entrepreneurs. By offering non-financial services to projects and entrepreneurs, helping to unlock their untapped potential and contribute to the growth of the Egyptian economy.

In 2021, the Bank continued its efforts to support the Egyptian FinTech space through partnerships and collaborations. The Bank's focus on innovation and technology has enabled it to provide a wide range of services to its customers and support the growth of the FinTech industry in Egypt. Over the course of the year, Banque Misr offered 15,623 non-financial services to around 7,894 projects and 944 entrepreneurs. These services were valued at EGP 741 million, reflecting the bank's commitment to supporting the growth of the Egyptian economy and the development of the country's entrepreneurial ecosystem.
The collaboration between Banque Misr and Microsoft Egypt aims to establish joint FinTech innovation centers and develop financial and digital services and solutions to facilitate customer transactions. This agreement will help to bring together the expertise of both organizations in the areas of technology and finance to create innovative solutions that will benefit customers and the wider Egyptian economy.

The open innovation program is expected to provide a platform for startups and entrepreneurs to access the resources and support they need to develop their ideas and bring them to market. By leveraging the strengths of Banque Misr and Microsoft Egypt, the program is expected to help accelerate the growth of the FinTech industry in Egypt and create new opportunities for entrepreneurs and startups.

6.2.3 ZAAT financing program

ZAAT is the first comprehensive financing program designed to support Egyptian women. Launched by Banque Misr, it is an attestation of the Bank's firm belief in the impactful role of women in developing their communities. It seeks to provide the necessary support for tackling the challenges faced by women and incorporates a variety of financing benefits and financial and non-financial services for businesswomen and female entrepreneurs, with the aim of assisting each and every woman to fulfill her dreams. Banque Misr is offering financing options of up to 6 million pounds with repayment periods of up to 60 months.

The Bank is also offering competitive interest rates and simple terms and procedures to make the loan application process easier for women. Moreover, women who take out a loan from Banque Misr will be exempt from periodic expenses for their savings account for the duration of the loan, providing further cost savings. With these flexible and attractive loan terms, Banque Misr is helping and supporting women access the funds they need while keeping costs low and ensuring a hassle-free experience. It also offers a wide range of financing programs that cater to the needs and activities of women. Whether it is for personal or business purposes, BM offers different financing options to choose from. Some of these programs include personal loans, home loans, car loans, and SME financing.

Banque Misr also offers financing for various sectors, including agriculture, industry, and tourism, among others. By providing multiple financing programs, Banque Misr ensures that women have access to the funding they need to achieve their personal and business goals. The program also offers non-financial services and solutions as a part of the bank's commitment to providing its customers with convenient and affordable banking services.

To this end, the Bank offers the use of its internet banking platform and BM Wallet without any administrative charges, making it easy for customers to manage their finances online.

The Bank also provides advisory and non-financial services that are tailored to the unique needs of each customer's project. These services help customers make informed decisions about their business and improve their chances of success. To further support the development of its customers' businesses, Banque Misr has established business development centers called "Nilepreneurs". These centers offer a range of services and privileges that help customers grow and
6.2.5 Microfinance

Micro, small, and medium-sized enterprises (MSMEs) are crucial for achieving the United Nations' Sustainable Development Goals (SDGs) and promoting the integration of a large part of the community into the formal banking system. This sector also plays a significant role in introducing innovative perspectives for success. In 2021, Banque Misr signed several significant protocols and agreements with local and international institutions, including:

**“Mashrouak” program**

For many years, Banque Misr has collaborated with the Ministry of Local Development on the “Mashrouak” program for the financing of micro, small, and medium-sized enterprises (MSMEs) through local single-window units nationwide. The “Mashrouak” program is part of a larger initiative powered by the Central Bank of Egypt (CBE), which provides loans at a 5% interest rate. The program finances MSMEs through the one-window investment system in local units spread nationwide. BM has financed many enterprises, creating numerous job opportunities since the launch of the program in 2015.

**SANAD**

SANAD has invested in Banque Misr to support its on-lending activities to micro, small, and medium-sized enterprises (MSMEs), agricultural producers, and microfinance institutions (MFIs) in Egypt.

**MSMEDA**

The Bank partnered with the Micro, Small, and Medium Enterprises Development Authority (MSMEDA) to mitigate the negative impact of COVID-19 on the microfinance sector, providing microfinance funds worth EGP 100m that are fully allocated to women. BM has been collaborating with MSMEDA since 2011, and the deals amounted to about EGP 2.4bn in September 2022, financing 150,000 micro-projects valued at EGP 3bn.

Furthermore, Banque Misr signed an agreement with MSMEDA in FY 2020-2021 to launch a funding program at a value of 500m to finance small enterprises, especially those launched in the villages covered under the presidential initiative, "HAYA KARIMA". These initiatives will help support women-led businesses and small enterprises, contributing to the growth and development of the MSME sector in Egypt.
Design Houses

The new Design Houses are the first of their kind in Egypt, aiming to strengthen the link between universities and a wide range of industries. These houses offer consultancy, design, and prototyping services. They provide the latest simulation programs, interactive training sessions, and practical workshops for startups and MSMEs, providing a reliable foundation for cost estimation and quality assurance. BM established Design Houses in several handpicked universities, as follows:

The Nile University Design House (NU DH) was able to develop products for more than 55 enterprises, 25 of which are start-ups, in addition to executing 71 projects, from designing prototypes to reverse engineering for products. The NU DH cooperated with local companies and entrepreneurs to elevate their performance and ensure that their products meet international standards for manufacturing and exporting. It is worth mentioning that, in addition to providing 300 training hours dedicated to product design and prototyping, NU DH also designed products that offer relief to COVID-19 patients.

International Finance Corporation (IFC)

Furthermore, Banque Misr signed an agreement with the International Finance Corporation (IFC) to extend support to women-led businesses. Under the agreement, BM offers financing schemes that are tailored to women’s needs as part of its MSMEs portfolio. The project is implemented in the framework of the “Champions of Women’s Banking Services” program, introduced by the IFC in the MENA region, in collaboration with the financing arm of the State Secretariat for Economic Affairs of Switzerland, as well as the Global Women’s Banking Services program.
6.2.6 Other social lending

The Bank actively participates in syndicated loans arranged for mega infrastructure projects, as well as directly financing corporations for working on these projects including real estate developers and contractors. Banque Misr's credit policy involves funding these sectors through its large corporate department. Banque Misr has taken a commendable step towards sustainable development by signing a protocol of collaboration with the General Authority for Supply Commodities (GASC) and Cairo Gas company. Under this agreement, we will assist in the conversion of local bakeries from using diesel to clean-burning natural gas, reducing harmful emissions and promoting cleaner energy.

This partnership marks a significant milestone towards achieving the goal of a greener and more environmentally responsible Egypt and is an example of Banque Misr's commitment to corporate social responsibility.

Another important step towards boosting Egyptian exports to international markets, particularly across Africa, was by signing a Memorandum of Understanding (MoU). The aim of the MoU is to enhance the competitiveness of Egyptian exports and support entrepreneurs and small businesses. Through this initiative, Banque Misr intends to create awareness about potential target markets, international trade practices, shipping procedures, and funding schemes that are available.

The program offers a diverse range of products and services, including but not limited to, international trade operations and cash management, aimed at providing entrepreneurs and small businesses with the tools they need to succeed in the international market. This initiative is expected to have a positive impact on the Egyptian economy by promoting the export of local products and services, while also contributing to the development of entrepreneurship and small businesses.
6.3 Supporting the Transition Towards a Cashless Society

Banque Misr has gone beyond simply achieving digital inclusion in the banking industry. BM has taken significant steps towards creating a cashless society by investing in upgrading its digital banking experience, supporting the Central Bank of Egypt's (CBE) FinTech initiatives, and partnering with other institutions to ensure safe and convenient banking transactions for all segments of the community. By doing so, Banque Misr has strengthened its impact on the economic ecosystem and promoted community prosperity.

A notable achievement is the launch of the groundbreaking "Tap on Phone" service in Egypt, which provides customers with a contactless payment option, making financial transactions and payment acceptance much easier for merchants. The application is downloadable on any NFC-enabled smartphone, allowing customers to use any debit or credit card by scanning the card and completing the transaction. The system also provides merchants with the ability to track all their transactions, enabling them to manage their sales and purchases efficiently.

Moreover, Banque Misr has offered its Mobile Wallet customers a QR code feature for electronic payment at points of sale and on websites. The Bank has also converted its credit and prepaid cards to enable contact-less payments, aligning with the CBE's digitization strategy.

Additionally, Banque Misr has launched the "Express" loan for small projects, which is considered the first integrated digital product launched through the Bank's Digital Transformation Sector. This product allows Banque Misr's small project customers to submit a financing application online via the website, without the need to visit the branch, on a step-by-step basis with minimal procedures. The small project financing loan is the fastest loan in Egypt and can be obtained within five days from the date of submission, subject to applicable terms and conditions. This enables SMEs to access quick and easy financing, allowing them to expand their operations and invest in their businesses. Banque Misr's digital transformation initiatives are a testament to its commitment to providing safe, convenient, and accessible banking services to the community while promoting economic growth and prosperity.
Banque Misr continued working in collaboration with various business partners to employ digital payment tools. The Bank introduced digital payment platforms and embedded payments in partner merchant services for a seamless payment experience online and offline. Banque Misr offers merchants attractive benefits, including no setup fees or monthly fees and exclusive rates for both wallet and card payments. BM achieved the highest growth rate in electronic commerce, QR code transactions, mobile payments, and internet banking in Egypt.

Also, as a part of promoting digitization in Cairo Airport Company and our efforts at Banque Misr to provide and enhance the electronic collection of all service fees at Cairo Airport, including managing commercial, economic, touristic, and other projects. The Bank will also provide services to aviation companies and travelers at the airport. Additionally, the "Ahlan" VIP service offers 24/7 assistance to ensure a smoother and more convenient travel experience, expediting travel procedures. Banque Misr’s cards are accepted on the company’s website, making digital payments for Cairo Airport services more convenient and streamlined.

Banque Misr is also working with Money Fellows to create new disbursement and collection methods that cater to the requirements of online money circles’ users. In terms of payments, the Bank offers electronic payment services to enable the company’s clients to pay their fees electronically, utilizing either bank cards or mobile wallets through QR-code technology.
Collaborations for a Cashless Society

In addition to these achievements, Banque Misr has successfully concluded several protocols and agreements, which further consolidates its position as a leader in the banking industry.

Cooperation between Banque Misr and Areeba,

This cooperation represents a comprehensive suite of electronic payment and e-commerce services that will be made available, resulting in a significant boost to the digital payments landscape.

The recently signed agreement between Banque Misr and its partner will provide integrated electronic payment acceptance services for a wide range of merchants, including small and medium-sized enterprises (SMEs).

The installation of thousands of points of sale (POS) terminals across Egypt will allow these merchants to accept electronic payments with ease, providing a more convenient and efficient payment experience for their customers. The agreement is not only limited to promoting the adoption of electronic payments, but it also aims to stimulate e-commerce growth in Egypt.

The expansion of the network of POS terminals will encourage merchants to accept various electronic payment methods such as cards, QR-code scanning, and other internet-based payment methods. As a result, this will contribute to the growth of e-commerce, making it more accessible and convenient for all.
A protocol between Banque Misr and Sahel Company

Banque Misr recently has entered into an agreement with Sahel Company to provide e-collection services and promote digital payments in Egypt. As part of the agreement, users of the Sahel mobile app will now be able to pay their electricity bills and pre-paid electricity meters easily using Banque Misr cards, e-wallets, and the QR-code service.

To encourage the adoption of digital payments, users will be offered an exclusive deal for a limited period, receiving a 5% cashback on all transactions. This offer is designed to encourage users from all community segments to embrace digital transformation and innovation, making it easier and more convenient to make payments using their mobile devices. This agreement between Banque Misr and Sahel Company is a significant step towards promoting a more digital and cashless society in Egypt.

By enabling users to make payments using a range of digital payment methods, it will be easier for individuals to participate in the digital economy, regardless of their background or socioeconomic status. Overall, this agreement will facilitate the adoption of digital payments in the country, making it easier for consumers to pay their bills, while promoting financial inclusion and access to financial services for all.

A collaboration agreement with Egyptian Company for Metro Management and Operation for Collection Services

In order to create and enhance an electronic collection for ticket services in metro stations.

This collaboration will enable more than 3.5 million passengers to pay their subscription fees for passes by utilizing Banque Misr's cards of all types and e-Wallet apps at POS terminals located at metro stations.

In addition, Banque Misr will expand the POS network and introduce contactless payments via QR-code to support digital payment services and e-collection.

Administrative Capital for Urban Development

The partnership was established with the aim of providing comprehensive banking and e-payment services to residents of the Administrative Capital. These services include card issuance, electronic collection services, and the ability to make electronic transactions through the company's website and mobile application, enabling users to pay for all services and subscriptions through various portals and apps.

Additionally, the partnership includes the issuance of banking cards for both residents and non-residents of the city, providing easy and convenient digital payment options across the city.

The services will be facilitated through the use of advanced banking technologies, QR codes, and point-of-sale (POS) terminals, making the payment process seamless and hassle-free for users. Overall, the partnership promises to bring modern and secure payment solutions to the residents of the Administrative Capital, enhancing the city's infrastructure and further promoting the use of digital payments.
Digitization of Governmental entities

Banque Misr has recently partnered with the Ministry of Justice (MOJ) and eFinance to launch the MOJ’s electronic payment fee collection system, making it easier for customers to pay for judicial services in the economic courts. This protocol provides investors with an accessible payment solution that allows them to pay for judicial services anywhere and anytime, using various payment methods, such as POS terminals, ATMs, e-wallets, and the MOJ’s portal. The agreement aims to encourage the use of cashless payment methods and move towards a cashless society, thereby contributing to the development of Egypt’s digital economy.

This initiative will facilitate the payment process for customers, saving them time and effort, while also promoting financial inclusion by encouraging the use of electronic payment methods. By collaborating with the MOJ and eFinance, Banque Misr has demonstrated its commitment to supporting the development of Egypt’s digital infrastructure and its desire to be at the forefront of the country’s digital transformation.

Furthermore, Banque Misr has extended its electronic payment services to include public electronic taxes and customs, as part of its collaboration agreement with the Ministry of Finance. Notably, Banque Misr has been providing electronic payment options for customs fees imposed by the ministry for almost two decades, demonstrating its expertise and experience in this area. The expansion of these services to include public electronic taxes is a testament to Banque Misr’s commitment to offering modern and efficient payment solutions that cater to the needs of its customers. The new service will make it easier for taxpayers to pay their dues through electronic channels, reducing the need for physical visits to government offices and making the payment process more convenient and accessible.

This initiative is expected to contribute to the growth of Egypt’s digital economy by promoting the use of electronic payment methods and reducing reliance on traditional payment methods. Banque Misr’s continued efforts to modernize its services align with its commitment to supporting Egypt’s economic growth and development.
Partnerships with WE Mobile Wallet

As part of its digital transformation strategy, Banque Misr has entered into a partnership agreement with WE Mobile Wallet to streamline its digital payment services. The partnership agreement enables individuals to use the WE Mobile Wallet to send, receive, and transfer money using smartphone applications. Under the agreement, WE Mobile Wallet subscribers will be able to register and link their Banque Misr debit/credit cards, allowing them to conduct transactions remotely without requiring prior offline approval or assistance.

This will enable customers to make transactions easily and securely, without the need to visit a bank branch. In addition, WE Wallet subscribers can enjoy a wide range of electronic payment facilities, such as cross-net peer-to-peer money transfers, person-to-merchant transactions, and payments for various services. The service also allows transfers of international remittances.

By partnering with WE Mobile Wallet, Banque Misr is expanding its digital payment services and providing its customers with a convenient and secure way to conduct transactions remotely. This is in line with our commitment to digital transformation and enhancing the customer experience.

Collaboration with Fixed Solutions

Moreover, Banque Misr has signed a collaboration agreement with Fixed Solutions, an IT services company, to expand digital transformation and boost information security. The agreement outlines a cooperation framework in technological development, information security services, and integration, with the aim of facilitating electronic payment channels for Banque Misr on a unified platform for public utility services. This is expected to improve the quality of services offered to citizens through sustainable payment solutions and to leverage the strengths of both organizations in technology and finance to develop innovative solutions that improve the quality of services offered to citizens in Egypt.

The agreement will enable Banque Misr to expand its digital transformation efforts and enhance its information security services to ensure the protection of sensitive customer data. The unified platform for public utility services will provide citizens with a seamless and secure payment experience, making it easier to pay for public services such as utilities, taxes, and fines. By providing sustainable payment solutions, the platform is expected to improve the quality of services offered to citizens and contribute to the growth of the Egyptian economy.
**ExxonMobil and Visa**

Another milestone of Banque Misr is the collaborative efforts with ExxonMobil which seeks to elevate the current e-payment solutions available for petroleum services by introducing an extensive rollout of point-of-sale (POS) terminals across ExxonMobil's fuel stations. This initiative targets a diverse range of consumers and promotes a more streamlined and advanced payment option. The agreement also includes exciting rewards and loyalty programs, specifically designed for Banque Misr Visa cardholders, who can now conveniently use their cards to make purchases at ExxonMobil stations.

This joint venture between Banque Misr and ExxonMobil represents a significant step towards a more accessible and efficient payment ecosystem for petroleum services, which aims to benefit both businesses and consumers alike.

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**Petroleum Commercial Services Company (Petro trade)**

Banque Misr has entered into a protocol with Petro trade to enhance the payment options available to customers purchasing petrol. Under the protocol, Banque Misr provides POS terminals at Petro trade's premises, which enables customers to make digital payments using all types of cards, online platforms, e-wallets, and the Petro meter app. Notably, the Petro meter app is the first application in Egypt that allows users to read meters using mobile cameras. By entering their data on the app, customers can easily check the value of their purchased petrol meters, which they can then pay for using cards or e-wallets via QR-code contactless services. In addition to facilitating digital payments through the app, Banque Misr also permits customers to make digital payments using bank cards via the aforementioned channels. The Bank provides "interactive kiosks" that are electronically linked to its POS terminals to enable even more payment options. This collaboration builds on an earlier agreement between the two parties to extend the electronic collection of retail payments for services offered by both companies.

By partnering with Petro trade, Banque Misr is expanding the digital payment options available to customers, making the payment process easier, faster, and more convenient. It is yet another example of the bank's commitment to digital transformation and innovation in Egypt's financial sector.
Banque Misr emphasizes client engagement for a sustainable transition. The bank recognizes that its clients have a significant role to play in driving sustainability, and it actively engages with them to encourage responsible behavior and promote sustainability. Banque Misr also recognizes the importance of stakeholder engagement and partnership in creating value and driving sustainability.
7. Engagements and Partnerships

7.1 Client Engagement for a Sustainable Transition

Aligned with the UNEP-FI Principles for Responsible Banking, Banque Misr places great emphasis on its clients and their needs, particularly in fulfilling principle three: Clients and Customers. Our concerted efforts are directed towards providing our customers with not only a personalized and dedicated experience but also enabling them to become more sustainable and achieve their life goals.

At Banque Misr, we hold Dedication and Excellence as our core values, ensuring that we perform our role for the success of our bank, customers, and community with equal importance, while striving for excellence and quality in all services we provide. We recognize that customer satisfaction, acquisition, and retention are critical factors to sustain brand loyalty, resulting in sustainable success and profit growth.

To achieve this, we maintain our "Always Connected " concept, which is an integral part of our customer-oriented digital transformation strategy. This approach enables us to create shared value for both individual and business customers. Triggered by the rapid proliferation of technology and supported by our bank's international presence and eagerness to expand our customer base, Banque Misr aims to integrate evolving digital transformation into all our banking operations, meeting and exceeding the expectations of our more than 13 million customers. As part of this effort, Banque Misr was among the first institutions to obtain a license to establish the first digital banks in Egypt, reinforcing SDG 9 (Industry, Infrastructure and Innovation) as well as SDG 10 (Reducing Inequalities by accelerating financial inclusion).

Our personnel at Banque Misr play an active role in driving customer loyalty. They are dedicated to responding to customer-related requests and inquiries with ultimate sincerity and speed, emphasizing our commitment to providing exceptional customer service. Additionally, we place great importance on utilizing customer feedback through various communication channels, including email and phone. We carefully consider both positive and negative feedback to improve and upgrade our bank's products and services continually. At Banque Misr, we are committed to being at the forefront of digital innovation and offering an exceptional customer experience to all our clients. We strive to maintain our reputation for excellence while fostering a culture of continuous improvement, driven by customer feedback, to meet and exceed their evolving needs.

In line with our commitment towards a more sustainable future, Banque Misr has taken significant steps to engage our clients in this journey. Our efforts include:
7.1.1 BM’s Channels of Client Engagement

Banque Misr is committed to providing customers with valuable knowledge and marketing services to raise their awareness of sustainability through a range of actions:

- Firstly, we prioritize financing green projects that promote inclusive, resilient, and sustainable responses to the growing climate risks to economic development. Our focus is on financing projects in the fields of solar energy, water management, and waste reduction.

- In addition to our green projects’ initiative, we incentivize project owners to take the necessary measures to combat COVID-19, including precautionary measures for safeguarding the health of their workers. For labor-intensive projects, we advise our customers to avoid halting production, minimize interaction between workers, and observe preventive measures.

- Furthermore, Banque Misr works to raise awareness among customers regarding the initiatives launched by the Central Bank of Egypt during this period to address the crisis. We also offer technical support to project owners and managers to ensure that their projects remain operational and sustainable.

- To encourage the use of online payment schemes, we educate our customers on the available options and encourage their use. We also encourage our customers to take advantage of online marketing to highlight their products and drive e-commerce.

- Finally, we direct our customers to shift from face-to-face marketing to online marketing to improve the safety and sustainability of their businesses. At Banque Misr, we strive to provide our customers with the necessary knowledge and support to help them achieve their sustainability goals while fostering a culture of continuous improvement.
Training

We provide a multitude of training for the sake of engaging customers through assisting them in completing banking transactions in lieu of social distancing; as part of crisis management training as well as assisting project owners in mitigating the adverse effects of the current crisis. This is in addition to capitalizing on opportunities, cutting costs, increasing sales, adjusting to market changes and practicing corporate online banking.

Our training programs are delivered through accessible mediums such as videos or direct broadcast to ensure that the required training is easily available to all customers. At Banque Misr, we are committed to helping our customers succeed and thrive, even during challenging times.

Responsible Finance

In an attempt to contribute to the economic, social, and environmental advancement of the communities in which we operate, the bank strives to maximize shareholders' progress and welfare on a sustainable basis alongside maintaining the highest international standards of corporate governance and regulatory compliance. From this standpoint, Banque Misr has embarked on:

- Banque Misr is maximizing its share of green and sustainable projects by directing its financing and investments towards it. On the other hand, the bank is building its suitable systems which will cover the E&S related risks according to global best practices.

- Including mobilizing green finance into its sustainability strategy, as BM’s commitment to climate action is of the utmost importance.

- Mandating customers to obtain an official license, which requires under Law no. 4 in 1994 an Environmental Impact Assessment (EIA), approved by the Egyptian Environmental Affairs Agency (EEAA).

- Requiring small enterprises to provide insurance for their workforce.

- Directing funds to renewable energy and most importantly energy efficiency projects to address the challenges of climate change and serve society, in addition to running comprehensive environmental compliance checkups to ensure that financed projects adhere to the Ministry of Environment’s regulations. Banque Misr always integrates an effective environmental footprint in its financial performance, along with sustainable investing.
Within the framework of Banque Misr’s interest in enhancing the rights of customers and providing a distinguished service to its customers, and since the study of customer complaints and their solution is one of its main pillars to achieve these goals, Banque Misr has established an independent unit to protect the rights of customers to ensure that complaints are examined and resolved, respond to these complainants through various easy means and within a specific time frame, take the necessary measures to remove the causes of the complaint (if any) and return the final result to the customer by providing easy means and procedures for customers to submit their complaints and work on examining them and removing the causes of that complaint quickly and professionally with effective communication with customers.

Banque Misr seeks to provide easy means and procedures for customers to submit their complaints and work on examining them and removing the causes of that complaint quickly and professionally with effective communication with customers as follows:

- The customer explains all the details of the complaint according to the complaints form of Banque Misr through any of the channels provided by Banque Misr.
- The bank will provide the customer with the reference number of the submitted complaint, with a maximum of two working days, so that he can easily follow up on the complaint, with the possibility of following it up by calling the customer service center on the number 19888.
- The complaint will be examined by the bank with complete care and impartiality, and the unit will respond to the customer regarding what was mentioned in the complaint within a period not exceeding fifteen working days from the date of its receipt, with the exception of complaints related to transactions with third parties that may need a longer time to discuss, and you will be notified in that period the case within the period necessary to study the complaint.
- The bank will respond to the complaint (in writing / electronically) through one of the means of communication (phone call / SMS / Complaint Inbox).
- In the event that the customer does not accept the bank’s response to the complaint, the customer must notify the bank in writing within fifteen working days from the date of receiving the response, including the reasons for non-acceptance.
- The customer may escalate the complaint to the Central Bank of Egypt if the complaint submitted by him is not responded to within the prescribed or notified time periods to the customer.
- The customer may escalate the complaint to the Central Bank of Egypt if the second final response from the bank to the complaint is not accepted.
- Before submitting a complaint to the Central Bank, the customer must first communicate with the bank and obtain a response regarding the subject of the complaint.
- In the event that the customer notifies the bank that the response is not accepted, the bank will reconsider and examine the complaint again, and the final response will be given to the customer within fifteen working days from the date of notifying the bank.

We work diligently on examining and resolving all received complaints immediately in accordance with the applicable work regulations and rules Dealing fairly with clients and competitors and avoiding discrimination among the Bank clients based on nationality, religion or gender.
At Banque Misr, ensuring the protection of clients' data is of utmost priority. Clients expect their transactions to be conducted professionally and confidentially. To guarantee this, the bank employs robust technical and organizational measures to prevent unauthorized access, misuse, or loss of customer data. The bank continuously works to enhance its security measures, including offering regular training programs to employees to raise awareness about data protection.

The Data Protection Office at Banque Misr is responsible for coordinating, evaluating, and monitoring practices related to data protection, including investigating complaints. The bank protects customer data by avoiding the mention of clients' names or the discussion of their activities in public places. Access to client or employee accounts is restricted to work-related purposes only.

Maintaining the confidentiality of clients' accounts and information is crucial to Banque Misr. All client accounts, deposits, and safes are confidential, and no information can be disclosed about them without written permission from the owner, heirs, or legatees, or a court ruling or award of arbitrators. This prohibition remains enforceable even if the relationship between the client and the bank ends for any reason.

Employees are responsible for maintaining and not disclosing clients' information, including personal information, data about clients' activities, solvency and credit, activities and processes of mergers or acquisitions, marketing plans, or securities. The bank ensures that clients' fixed data is sufficient and updated continuously to design suitable products for all age and cultural groups. Banque Misr employees are committed to maintaining the confidentiality of this data and refraining from disclosing or misusing it. Furthermore, employees are prohibited from notifying clients of any internal procedures related to their accounts, such as freezing amounts, cases of suspicion, or inquiries/investigations by supervisory bodies. Banque Misr upholds the highest standards of data protection to maintain clients' trust and confidence.
Utilize appropriate means to help clients conduct their transactions with the bank with high efficiency, obtain their rights in accordance with the bank's instructions, and maintain proper records of all agreements concluded with clients to facilitate reference when necessary.

- Apply the principles of justice and impartiality when dealing with all internal and external parties such as clients, colleagues, suppliers, and competitors. This includes providing clients with genuine information about the products and services offered, as well as the associated obligations and risks, while ensuring that the client has understood all the details. Employees should also provide advice without hiding or misleading information or pressuring clients to make hasty decisions regarding their transactions with the bank.

- Avoid participating in financial or commercial transactions with clients.

- Refrain from promoting or advertising clients' commercial activities.

- Respect the dates of meetings with clients or suppliers.

- Abstain from carrying out any banking transactions on clients' accounts on their behalf.

Furthermore, no banking transactions from the employee's personal account will be carried out in favor of clients without the prior permission of the Compliance and Governance Department.
7.2 Stakeholders’ Identification and Engagement

BM’s stakeholders are our most valuable asset, and continuously leveraging their success is crucial to our overall success. Banque Misr’s remarkable standing in the industry could not have been achieved without the engagement of our stakeholders, as enhancing stakeholder value remains an indispensable part of our core strategy.

We also uphold our unwavering compliance with our code of ethics and core principles, ensuring that we are a responsible partner for our stakeholders. This aligns us perfectly with the responsible banking principle, namely Principle 4: Stakeholders, which requires the bank to consult, engage, and partner with relevant stakeholders to achieve society’s goals proactively and responsibly.

Banque Misr regularly evaluates its efforts by fostering a systematic annual dialogue with its stakeholders. This enables the bank to understand relevant issues and direct its efforts towards what matters most. These assessments and annual disclosures are carried out in collaboration with the bank’s business partners, customers and employees, government entities, suppliers, and the local community, as they represent our chief stakeholders. A proactive approach is adopted in regularly engaging with a wide spectrum of stakeholders to ensure professionalism in the best working environment.

BM interacts with its array of stakeholders through a full range of interconnected channels to evaluate, reinforce, and prioritize sustainability goals in an authentic, transparent, and credible manner. BM uses several integrated internal and external channels to reach various stakeholders.

To refine BM’s understanding of key challenges and to address them strategically, the bank follows a rigorous two-step process:

- **Identification of Stakeholders**: BM has a broad range of stakeholders, including peers, investors, clients, customers, regulators, employees, policymakers, suppliers, scientists, academia, civil society, trade unions, and communities. The bank continuously engages with these groups to gain insight into their needs and perspectives, and to share information about its strategy, practices, and performance to create a more sustainable future.

- **Topics Assessment and Prioritization**: BM is keen on engaging with its stakeholders and analyzing their views to identify the most pertaining materiality issues that are most impactful on their welfare and satisfaction, and hence on driving overall economic and social prosperity in Egypt. This is a goal that we take upon ourselves as one of the largest public banks across Egypt. Banque Misr ensures that these persistent topics are annually evaluated and reported on in its assessment of the direct and indirect non-financial impacts, along with the consolidated audited financial results for every fiscal year.

Our Board and senior team are clear about the role they play in creating a culture that drives success on all fronts. We set the right tone from the top to ensure that we create a culture that is supportive of our stakeholders, enabling us to achieve our goals of providing the best possible banking services while being responsible partners.
Our employees are considered the most valuable asset; they instill a solid sense of loyalty and commitment, which is deeply reflected in each and every success. Apart from this, Sustainability, as a core value in all our operations and portfolio, relies tremendously on our employees. Banque Misr is investing in its human capital by launching BM learning academy, Taalam initiatives and BM knowledge league. BM always strives to enhance its talent management by introducing revamped talent and succession planning processes, also it introduced a New Performance Management System. Besides, the bank internally engages employees via an internal website (Intranet) and quarterly magazine.

Aside from the BM Annual Sustainability Report, BM reaches external audiences with engaging content published on its website and disseminated to the media in addition to launching Television Campaigns. The bank further takes part in related industry platforms and forums. The bank also utilizes digital tools such as videos, graphics, and images to maximize engagement with external audiences on social media.

BM always abides by global standards and CBE regulations to protect customer rights and ensure fair treatment. BM abides by the CBE regulations regarding customer data protection and confidentiality.

The bank engages with the government by participating in different initiatives. BM's collaboration with the Egyptian government unlocks the gateway towards social, environmental, and economic sustainability. The Egyptian government constantly guides BM through effective policies to deliver positive market influence and sustain long-term inclusive development. BM fully endorses national developmental efforts and maintains constructive engagement channels with the Egyptian government, unlocking the gateway toward sustainability. BM engages with internal and external regulatory bodies. The bank complies with all legal and regulatory requirements and aims to constantly maintain strong and open relationships with regulators and other supervisory bodies.
### Engagement and Partnerships

#### Stakeholder Identification: Suppliers

**Type of stakeholder:** External

**Communication Channel:**

BM ensures effective engagement with diverse suppliers and aims to empower economies and communities more inclusively through its suppliers.

#### Stakeholder Identification: Partners

**Type of stakeholder:** External

**Communication Channel:**

Banque Misr (BM) acknowledges that a successful sustainable development agenda requires partnerships between a diverse community of academics, businesses, and international and local institutions. Over the five years, BM cooperated with different partners operating in an array of sectors, including technology, health, education, telecommunication, manufacturing, pharmaceutical, finance, and commerce.

BM steadily grew its partnerships portfolio and succeeded in building on longstanding networks of collaboration that successfully meet community needs, whether social, economic, or environmental.

#### Stakeholder Identification: Community

**Type of stakeholder:** External

**Communication Channel:**

We are committed to supporting and empowering communities in which we function, and we strive to have a trustworthy, transparent, and sustainable imprint that contributes to building a sustainable society for future generations. The bank's community stakeholders include non-governmental organizations, civil society organizations (CSOs), syndicates, UN agencies, associations, and community-based organizations (CBOs) that have an explicit social mission. The bank strives to achieve leadership in the field of community development through a positive and tangible impact on Egyptian society. In this context, the bank:

- Supports and encourages development activities that have an effective impact on the society and the environment
- Provides support to scientific research centers, schools, universities, and public hospitals.
- Establishes projects that achieve social solidarity in Egypt.
7.3 Partnerships for Creating a Positive Impact

At Banque Misr, we appreciate the spirit of partnership, cooperation and unity within the team, the bank and the society; we form partnerships with governmental bodies, civil society organizations, and international firms to magnify the positive impact on society and create value for our stakeholders and this justifies why we adopt “Partnerships” as one of our strategic core values. Banque Misr recognizes the importance of financial inclusion in promoting economic growth and reducing poverty.

In order to expand its efforts in this area, the bank has established several partnerships with various entities including (National Council for Women - National Council for people of determination - Ministry of Youth and Sports - International Labor Organization - Ministry of Local Development) through which the bank is working to expand financial inclusion and promote economic growth in Egypt.

● **Partnerships for Harnessing Higher Education Opportunities**

Banque Misr (BM) and its foundation, Banque Misr Foundation for Community Development (BMFCD), strive to foster social cohesion to create more inclusive societies, promote community wellbeing, and reduce discrimination. BM’s efforts have been more impactful in shaping a sustainable future through multidimensional collaboration.

● **“Made in Egypt” Initiative**

Under the “Made in Egypt” initiative, Banque Misr Foundation for Community Development (BMFCD) offers financing facilities for handicraft projects in partnership with several non-profit organizations.

Many handicraft projects have benefited from the initiative, including those who work in wicker products, rattan products, patchwork quilts, palm frond wall hangings, pottery products, cross-stitch embroidery, tailoring, sewing, carpet weaving, as well as agricultural projects, including forage alternatives, date packaging, and apiaries. BMFCD supported 3,770 micro-projects and provided vocational training for 1,240 youths across Upper Egyptian villages and slums in Greater Cairo.

● **Preservation of Heritage Crafts in partnership with Handicraft Business Chamber**

Banque Misr Foundation collaborated with the Handicraft Business Chamber to revive the traditional pottery industry in Garagos village, which has become an endangered craft in recent years. BMFCD sponsored a 15-month training program on pottery production for about 25 youths. Upon completion of the training program, BMFCD offers participants employment opportunities. The program aims to support handicraft enterprises and to maintain Garagos village’s craft heirloom. BMFCD sponsored a training workshop on product marketing and e-commerce, in addition to two ceramic workshops.
Comprehensive Development in Egyptian Villages and Slums

Since 2019, BMFCD has worked with many civil society organizations, associations, and universities to support the Decent Life initiative to tackle the multidimensional phenomenon of poverty. BMFCD focused on the rural development of Egypt's neediest villages. In 2021, BMFCD improved the living conditions of around 500,000 inhabitants in 45 villages and three centers in Upper Egypt across 13 governorates: Cairo, Giza, Qalyubia, Sharkia, Menoufia, Fayoum, Minya, Assiut, Sohag, Qena, Luxor, Aswan, and Gharbia. Among BMFCD's accomplished projects in FY 2021 are:

1. Kheir Wa Baraka NGO

   The Banque Misr Foundation cooperated with Kheir Wa Baraka NGO to carry out a comprehensive development project serving 195,537 people in 14 villages and 96 hamlets in Sakulta Center, Sohag governorate through:
   - Hosting training workshops on financial inclusion.
   - Conducting vocational training for 420 young people in plumbing, home appliance maintenance, and electricity, as well as offering craftsman toolkits for each trainee.
   - Providing technical and financial support to 350 micro and small projects.
   - Providing technical and financial support to 14 group projects.
   - Sponsoring 14 veterinary convoys.

2. Dr. Abdel Ahad Gamal El-Din Development Foundation

   The cooperation protocol focuses on the “Chance and Hope” project to secure sustainable livelihoods for around 1,000 beneficiaries in Shershaba village, Zefta Center, Gharbia governorate.
Economic Empowerment Efforts

- Developing and equipping a training and manufacturing center for handicrafts Creating a permanent exhibition of handicrafts.

- Developing a project for labeling handicrafts Providing market studies to create a competitive edge for handicrafts projects and their products.

- Offering 200 youths theoretical and practical training to initiate their projects in sewing, embroidery, leather products, and design Offering 30 micro-entrepreneurs training on e-marketing skills and setting up a website and marketing page for their project Providing training professionals with product photography skills Funding micro-enterprises.

Social Inclusion Efforts

- Attempting to end violence against women and providing comprehensive services for women subjected to violence.

- Offering psychological support for a total of 200 abused women Organizing handicraft workshops to enable the abused women to have greater financial independence and control over their lives The launch of the “Without Plastic” Initiative to reduce the amount of new plastic produced and increase the reuse of plastic to protect the environment.
• **Masr El Mahrousa Balady Association**

The foundation launched the Al-Manarat project in slum areas to empower orphans and breadwinners economically through various educational, health, and cultural programs. The project contributed to supporting 900 families. Building on the success of the project over the past seven years, the foundation launched the Benaa project to improve the social context of vulnerable children, including the poor and orphans. In 2021, the project served 400 children and their families in six slum areas in South Cairo.

• **Egyptian Food Bank and Misr El Kheir Foundation**

BM collaborated with the Egyptian Food Bank and Misr El Kheir Foundation to distribute in-kind aid during the COVID-19 pandemic. The Bank distributed more than 10,000 family parcels of food and sanitizers to support underprivileged Egyptian families.

• **Egyptian Banking System Model – EBSM**

In partnership with the Egyptian Banking Institute (EBI), BM funded a simulation model of the Egyptian Banking System at 15 schools and nine universities, benefiting more than 20,000 students. The program allows students to gain first-hand experience in financial operations and incorporates meaningful workplace learning opportunities for students. BM offered 30 lectures to 900 university students participating in the model on financial inclusion and the various banking products.

Additionally, BM hosted a business operation simulation model at six of its branches for some 600 students in Cairo, Daqahlia, Suez, and Qena governorates. The simulation program enabled students to assume job roles as part of the bank’s personnel.

• **El Nidaa**

Over the past years, BM collaborated with the Egypt Network for Integrated Development (ENID/El Nidaa) in organizing brass handicrafts Governed kilim rug workshops, held under the bank’s sponsorship in Qena governorate, specifically in El Maana, Al Gazairia, and Sheikh Eissa. The handicraft projects were hailed as a success, as the handmade products were appealing to customers.
• **Etaha Initiative - partnering with Egyptian Banking Institute (EBI)**

As a part of our corporate social responsibility as well as to enable individuals to find better careers, including people with disabilities, BM signed an agreement with the Egyptian Banking Institute (EBI) to support the “Etaha” Initiative to engage people with disabilities in the labor market. The initiative helps individuals with disabilities to build self-reliant lives.

After fulfilling the registration requirements and passing the assessments, they can enroll in an online training program to develop and enhance their talents and career growth skills. Upon completion of the training program, applicants' data and experience profiles are uploaded to the initiative’s online platform to be shared with the human resources departments in the Egyptian banking sector to integrate them into their recruitment process for potential employment opportunities.

• **Electronic Tuition Collection**

BM positions ATMs inside the universities’ campuses, offering cardless ATM withdrawal, and deposit services for the payment of university tuition. Banque Misr signed various protocols with around 40 public and private universities, including Sinai University and Giza University to provide student electronic collection and tuition fee payment services for the students. These collaborative efforts provide convenient and time-saving payment channels for students, enabling them to keep up with the global digital evolution while propelling the gradual transformation to a cashless society.

Aside from the cooperation protocol with 6th of October University, the bank has also concluded cooperation protocols with Cairo University, Ain Shams University, Benha University, Damanhour University, Suez Canal University, Assiut University, University. In addition, Banque Misr, eFinance, and Al-Azhar University signed an agreement to activate electronic fee payments and collections.

The protocol aims to offer electronic payment tools including Al Azhar University’s website, for fee collections and other entitlements using bank cards or QR-codes. Under the agreement, BM will also install ATMs at Al-Azhar University premises to facilitate transactions made by students and employees. BM also supported the launch of Klickit’s Education Payment Solutions Hub, a digital end-to-end payment collection system tailored specifically for the education sector’s requirements, whether large or small, such as tuition or activity fees.
• **Egypt-Japan Education Partnership**

Under the partnership, BM provides education loans to cover the school fees of students enrolled in the Egyptian Japanese schools, which have reached 43 schools in 24 governorates. The loans' tenors span up to eight months, from fall to spring, and cover up to 100% of the value of the tuition fees. The loan program also comprises free life insurance for the borrower in case of death or total disability.

• **Misr El-Kheir Foundation**

We are proud to have partnered with the Misr El-Kheir Foundation in 2021 to support the economic empowerment of young male and female artisans in Minya governorate, through our funding of various projects.

These talented artisans are the breadwinners for their families, and our partnership has enabled them to harness their skills and creativity to generate sustainable livelihoods for themselves and their communities. Specifically, our funding has supported projects that have covered several villages in the region, including Maghagha, Bani Mazar, Malawi, and Al-Adwa.

By working together with the Misr El-Kheir Foundation, we have been able to leverage our resources and expertise to make a meaningful impact in the lives of these artisans and their families. We remain committed to fostering partnerships that promote sustainable development and empower communities to achieve their full potential.

• **Orman Charity Association**

Since we are dedicated to fostering partnerships that create positive social impact and promote sustainable development. One such partnership is with the Orman Charity Association we conducted in 2020-2021, which we have been working with for several years now. Through this partnership, we have allocated funds of EGP 4 million to support initiatives aimed at improving the living conditions of villagers and supporting the SME sector in the governorates of Menya, Assiut, New Valley, and Sohag.

Our funding has also included the provision of soft loans, which have been instrumental in helping local entrepreneurs and small business owners to grow their businesses and create jobs in their communities. Through these efforts, we are committed to supporting the economic development of the regions where we operate, and to empowering communities to achieve their full potential. We look forward to continuing our partnership with the Orman Charity Association, and to working together to create lasting positive change.
Banque Misr is committed to supporting sustainable development in the regions where we operate, and we are proud to have allocated EGP 35 million to establish a model village in Kharga, New Valley governorate. This project took place in 2020-2021 which covered an area of 1,000 acres and aimed to provide housing and income-generating opportunities for the local community. Specifically, we have partnered with local stakeholders to establish 100 housing units, which will support various income-generating activities, such as livestock and rabbit farming.

We believe that this project had a meaningful impact on the lives of local residents, by providing them with a stable and sustainable source of income, as well as access to housing and basic services.

In addition to our support for the model village project, we have also signed a cooperation protocol with the governorate at a value of EGP 5 million. Through this protocol, we are committed to supporting initiatives that promote economic development and improve the living standards of local residents.

We recognize that our success as a bank is closely tied to the well-being of the communities we serve, and we remain dedicated to investing in sustainable development initiatives that create lasting positive impact.

BM, in collaboration with Ain Shams University Hospitals and Ain Shams Medical Association, has allocated EGP 30 million towards the renovation and upgrade of the Psychiatric Center of Ain Shams University Hospitals. This move is aimed at improving the quality and efficiency of medical services provided to patients with psychiatric conditions.

By investing in the infrastructure and facilities of the center, the aim is to create a better healing environment that will contribute towards the recovery of patients. This initiative is a clear indication of the commitment of BM towards the promotion of mental health and wellbeing, as well as its efforts towards enhancing healthcare services in Egypt.
BM has made a significant contribution towards the improvement of healthcare services in Egypt by donating EGP 300 million towards the development of the third phase of the pediatric cancer treatment building at Shefaa Al Orman Hospital in Luxor. The donation is aimed at providing much-needed financial support to patients, particularly those who have traveled long distances from other governorates to receive treatment.

The pediatric cancer treatment building is a vital facility for children battling cancer, and BM's donation will ensure that the hospital can continue to provide the necessary medical care and support to these young patients. The bank's contribution will also help to alleviate the financial burdens that families may face while caring for their sick children.

This donation highlights BM's commitment to promoting the health and wellbeing of the people in the community, particularly the most vulnerable members, such as children with cancer. By investing in the development of essential healthcare facilities, the bank is helping to ensure that patients receive the best possible care and treatment, regardless of their financial circumstances.
In 2021, BM continued to contribute to the improvement of healthcare services in Egypt by donating EGP 1 million towards the acquisition of a specialized medical machine for the Urology and Nephrology Center. This donation aims to enhance the center's capacity to provide high-quality medical care to patients with urological and nephrological conditions.

Furthermore, BM disbursed an additional EGP 5 million to the Urology and Nephrology Center to cover the costs of immunotherapy for kidney transplant patients. This initiative demonstrates the bank's commitment to supporting patients with kidney-related health issues and ensuring that they receive the necessary medical care and treatment. BM's consistent efforts towards enhancing healthcare services in Egypt, through various initiatives such as these, highlights its strong social responsibility and dedication to improving the lives of the people in the community.

BM has allocated EGP 30 million towards the funding and equipping of the radiology center at a distinguished medical center in the Arab region and Africa, which comprises 600 beds. The hospital's management will be responsible for the allocation of funds and equipping of the radiology center with state-of-the-art medical equipment.

This initiative is a clear indication of BM's commitment to supporting the development of essential healthcare services in the region. By investing in the radiology center, the bank is helping to improve the quality and efficiency of medical services provided to patients at the medical center.

The availability of advanced medical equipment in the radiology center will enable healthcare professionals to provide accurate and timely diagnoses, leading to more effective treatments and better outcomes for patients.

The medical center, which manages the hospital, is recognized as one of the largest and most distinguished medical centers in the Arab region and Africa. BM's contribution towards the development of the radiology center is a testament to its dedication towards improving healthcare services in the region, and supporting the delivery of high-quality medical care to patients.
Principle 1
Alignment

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

Business model

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

Response

Banque Misr is committed to placing its customers at the forefront of its operations. To achieve this goal, the bank has developed an inclusive and all-encompassing business model that is designed to promote customer-centricity. At Banque Misr, the customer is the focal point of everything we do, and we have made it our mission to provide our customers with the highest level of service, convenience, and satisfaction. Our approach is to understand our customers' needs and preferences and to tailor our services to meet their unique requirements. We believe that by placing our customers first, we can build lasting relationships with them and contribute to their financial success. This approach ensures that the needs and expectations of their customers are met with the highest level of service possible. The business model offers a wide range of solutions that cater to the diverse needs of different customers, providing them with personalized services and tailored solutions to meet their specific requirements.

Our Inclusive Business Model Incorporates:

- Corporate banking & Syndicated Loans.
- Retail Banking.
- SMEs Banking.
- Investments.

Over a century, Banque Misr's evident role in all economic sectors has been driven by its geographic outreach. More than 21,000 dedicated employees offer the best and most accessible banking services for over 16 million clients countrywide, with a paid-up capital of EGP 15 billion. It also operates more than 800 branches electronically integrated nationwide.
Our Main Country of Operations is Egypt. On the international level, Banque Misr values the best banking experience for its regional and international clientele through an international presence; We operate five branches in the United Arab Emirates (UAE), one in France (Paris), and two subsidiaries in Germany (Frankfurt) and in Lebanon. BM also operates a representative office in Abidjan (Côte d’Ivoire), run by its subsidiary in Lebanon, in addition to representative offices in Russia (Moscow), China (Guangzhou), South Korea (Seoul), and Italy (Milan).

Banque Misr has adopted a five-year expansion strategy, mainly in Africa and Asia. The Bank aims to extend its geographical footprint to Mogadishu (Somalia), Nairobi (Kenya), Djibouti (Djibouti), and Riyadh (KSA). The Bank seeks to expand its presence in the UAE by opening a new branch in the Dubai International Financial Centre (DIFC).

**Strategy alignment**

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

- Yes
- No

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

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

- UN Guiding Principles on Business and Human Rights
- International Labour Organization fundamental conventions
- UN Global Compact
- UN Declaration on the Rights of Indigenous Peoples
- CBE’s Sustainable Finance Guidelines
- Any applicable regulatory reporting requirements on environmental risk assessments, e.g., on climate risk - please specify which ones: ------------------------
- Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: ------------------------
- None of the above
Response

Banque Misr’s commitment to sustainability is evident in its strategic direction, which aligns with the United Nations’ Sustainable Development Goals (SDGs). The Bank’s products and services are designed to promote economic growth, reduce inequalities, and support social and environmental sustainability.

Our Strategy is aligned with SDG Goals 1, 5, 8, 9, 10 & 11. Banque Misr’s finance, strategy, and products can be mapped to the Paris Agreement as follows:

1. Screening Projects

The Bank considers the environmental impact of its clients' projects and assesses their sustainability before providing financing. The Bank screens all projects to ensure that they comply with the international and local environmental standards and regulations.

2. Portfolio Impact Assessment:

The Bank performed an impact assessment on its portfolio to assess the environmental impacts associated with its lending and investment activities in order to mitigate its negative environmental impacts.

Links and references:
BM’s PRB Progress Report 2022
Principle 2
**Impact and Target Setting**

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

### 2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly\(^1\) to fulfil the following requirements/elements (a-d)\(^2\)

**a) Scope**

What is the scope of your bank’s impact analysis? Please describe which parts of the bank’s core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

**Response**

The Bank has conducted a comprehensive portfolio impact assessment that covers its Retail, Corporate, SMEs, and Investment Banking portfolios, offering a comprehensive view of the bank’s activities and their impact. Additionally, the assessment is inclusive of both Conventional and Islamic Banking activities, further demonstrating Banque Misr’s commitment to being an inclusive and responsible financial institution.

This comprehensive impact assessment reflects the Bank’s efforts to understand and address the social, environmental, and economic impacts of its activities, and to ensure that it is contributing to a more sustainable future. Our retail, corporate and SMEs banking activities account for 39.4%, 16.1% and 9% of the gross income (revenue) of the bank, respectively, as of 30th of September, 2022.

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\(^1\)That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time. Further guidance can be found in the Interactive Guidance on impact analysis and target setting.
APPENDIX: PRB SELF-ASSESSMENT TEMPLATE

b) Portfolio composition

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

i) by sectors & industries\(^3\) for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or

ii) by products & services and by types of customers for consumer and retail banking portfolios.

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

Response

The Corporate Banking, Investment Banking and Business Banking portfolios are segmented based on the International Standard Industrial Classification (ISIC), providing a more granular view of the Bank’s activities and their impact. The Bank considered three key factors while selecting the most critical sectors.

a. Sectors with the largest share of the portfolio - Banque Misr - consider the sectors that constitute the largest portion of its lending and investment activities, as these are likely to have the greatest impact.

b. Key negative and positive sectors - Banque Misr evaluated the sectors that have the potential to have either a positive or negative impact on its portfolio, to better understand and address these impacts.

c. Sectors that align with the national and CBE’s direction - Banque Misr also considered the sectors that best fit with the national and CBE’s direction in terms of sustainability and responsible banking practices.

The assessment also covers the main consumer products and services that Banque Misr offers to its retail customers including certificate of deposits, current accounts, saving accounts, home loans, vehicle related loans, credit cards, consumer loans, overdrafts and other specialized credit.

\(^3\)Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here
A) Our Retail Banking is segmented into

- **Current & Saving Accounts**
  - Certificate of deposits (81.52%)
  - Saving accounts (15.8%)
  - Current accounts with payment services (2.7%)

- **Credit Products**
  - Mortgages/Home Loans (47.85%)
  - Credit Cards (14.01%)
  - Vehicle related loans (16.7%)
  - Other Specialized Credit (16.1%)
  - Consumer Loans and Overdrafts (5.21%)
  - Education-related loans (0.09%)

B) The 10 key sectors financed under Corporate Banking are:

- Construction of Buildings (20.8%)
- Retail Trade (13.1%)
- Extraction of Crude Petroleum (8.2%)
- Construction of Roads and Railways (6.9%)
- Real estate activities on a fee or contract basis (5.8%)
- Sale of motor vehicles (2.8%)
- Manufacture of bakery products (2.7%)
- Passenger rail transport, interurban (2.5%)
- Financial leasing (2.4%)
- Manufacture of basic iron and steel (2.3%)
C) The 10 key sectors financed under Business (SMEs) Banking are:

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of Buildings</td>
<td>9.9%</td>
</tr>
<tr>
<td>Wholesale of food and beverages</td>
<td>3.5%</td>
</tr>
<tr>
<td>Sale of motor vehicles</td>
<td>3.12%</td>
</tr>
<tr>
<td>Manufacture of plastics and synthetic rubber in primary forms</td>
<td>2.95%</td>
</tr>
<tr>
<td>Construction of utility projects</td>
<td>2.88%</td>
</tr>
<tr>
<td>Retail sale of electrical household appliances, furniture, lighting equipment and other household articles in specialized stores</td>
<td>2.82%</td>
</tr>
<tr>
<td>Manufacture of wearing apparel, except fur apparel</td>
<td>2.58%</td>
</tr>
<tr>
<td>Sale of motor vehicle parts and accessories</td>
<td>2.54%</td>
</tr>
<tr>
<td>Other specialized construction activities</td>
<td>2.46%</td>
</tr>
<tr>
<td>Trusts, funds and similar financial entities</td>
<td>2.44%</td>
</tr>
</tbody>
</table>

D) The 10 main sectors financed under our Investment Banking are:

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other financial service activities, except insurance and pension funding activities, n.e.c.</td>
<td>43.1%</td>
</tr>
<tr>
<td>Real estate activities on a fee or contract basis</td>
<td>22.93%</td>
</tr>
<tr>
<td>Trusts, funds and similar financial entities</td>
<td>15.9%</td>
</tr>
<tr>
<td>Other monetary intermediations</td>
<td>8.06%</td>
</tr>
<tr>
<td>Manufacture of basic chemicals</td>
<td>3.24%</td>
</tr>
<tr>
<td>Short term accommodation activities</td>
<td>1.50%</td>
</tr>
<tr>
<td>Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus</td>
<td>0.72%</td>
</tr>
<tr>
<td>Construction of buildings</td>
<td>0.56%</td>
</tr>
<tr>
<td>Data processing, hosting and related activities</td>
<td>0.53%</td>
</tr>
<tr>
<td>Casting of iron and steel</td>
<td>0.52%</td>
</tr>
</tbody>
</table>
c) Context:

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

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

Response

Banque Misr has meticulously conducted a comprehensive impact assessment on its primary area of operations, Egypt, which constitutes a significant portion of the Bank’s overall operations. The assessment incorporated the unique country impact needs, highlighting the challenging areas in Egypt. With the assistance of environmental, social, and economic experts, BM examined the level of needs in each impact area outlined in the Portfolio Impact Analysis Tool.

The Bank's impact assessment exercise was thorough, and data driven. The EESG Board Committee, the ESG Steering Committee, and subject-matter experts were engaged to provide insights and explain relevancy of indicators for the various impact topics from the baseline resources provided in the tool, as well as additional credible sources such as Egypt's National Climate Change Strategy 2050 and the recent Voluntary National Review (VNR 2021). This ensured that the Bank's impact assessment was holistic, taking into consideration the country's diverse impact needs.

Egypt’s main country needs are Integrity & Security, Health & Safety, Availability, accessibility and quality of resources and services, Livelihood, Equality & Justice, Infrastructure, Socio-economic convergence, Climate Stability, Biodiversity and healthy ecosystems and Circularity.

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)3? Please disclose.

---

3Global priorities might alternatively be considered for banks with highly diversified and international portfolios.
d) For these (min. two prioritized impact areas):

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

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e., qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health & inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

*The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.*

**Response**

The Bank has identified the key sectors in the corporate banking that are associated with Circularity which are construction of buildings, extraction of crude petroleum and retail trade. Other sectors that contribute positively and negatively to Circularity are specified in the heat map that is presented in our PRB progress report for 2022. For Circularity, the Bank will start a pilot analysis on the construction sector and utilizing the key performance indicators for energy efficiency and waste.

As for Financial Inclusion, the Bank is in the process of collecting data retail banking portfolio segmented by income, age, gender and geographical location.
### Self-assessment summary

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

<table>
<thead>
<tr>
<th>Component</th>
<th>Yes</th>
<th>In progress</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portfolio composition</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Context</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance measurement</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

The bank has identified Livelihood, Finance and Healthy Economies as its positive areas of impact, while Health & Safety, Circularity and Climate Stability as its key areas of negative impacts.

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

- ☑ Up to 6 months prior to publication
- • Up to 12 months prior to publication
- • Up to 18 months prior to publication
- • Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: (optional)

Income Segmentation of the Retail Banking is uncovered

Microfinance is uncovered

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\(^6\) You can respond “Yes” to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.
2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis. The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment:

which international, regional or national policy frameworks to align your bank’s portfolio with. Have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

Response

BM targets circularity, particularly resource efficiency and financial inclusion as the two most significant impact areas. We are in the process of measuring the baseline and selecting impact indicators to set quantitative targets. Our targets will align with UN SDGs, Egypt’s Vision 2030, Egypt’s Sustainable Energy Strategy, CBE’s sustainable finance Guiding Principles and CBE’s Strategy for Financial Inclusion 2022-2025.

Links and references
PRB progress report 2022.

b) Baseline:

Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

Response

For financial inclusion, the Bank is in the process of collecting data on the retail banking portfolio segmented by income, age, gender and geographical location for current accounts, saving accounts, credit and certificate of deposits.

Links and references
PRB progress report 2022.

Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank’s targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.
- Income segmentation: Value of products and number of customers for each income category (low-income, middle-income, high-income).
- Age segmentation: Value of products and number of customers for each group.
- Gender segmentation: Value of products and number of customers by gender (female and male).
- Geographical segmentation: Value of products and number of customers by geographical location/governorate.

After measuring the baseline, BM will set quantitative targets to increase products and loans provided to the most vulnerable groups such as women, low-income and youth, in order to promote financial inclusion. The Bank is working on defining core indicators for measuring its performance and a baseline upon which it shall set targets.

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Data Source</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td># of products and services in the portfolio with a focus on financial inclusion</td>
<td>Internal data</td>
<td>Actions</td>
</tr>
<tr>
<td>% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health</td>
<td>Internal data</td>
<td>Actions</td>
</tr>
<tr>
<td># of partnerships active to achieve financial health and inclusion targets</td>
<td>Internal data</td>
<td>Actions</td>
</tr>
<tr>
<td># of new customers per month</td>
<td>Transactional</td>
<td>Output</td>
</tr>
<tr>
<td>% of customers with effective access to a basic banking product</td>
<td>Transactional</td>
<td>Output</td>
</tr>
<tr>
<td>% of customers actively using the online/mobile banking platform/tools</td>
<td>Transactional</td>
<td>Outcome</td>
</tr>
<tr>
<td>% of customers supported with dedicated customer journey/advisory services</td>
<td>Transactional</td>
<td>Outcome</td>
</tr>
</tbody>
</table>

*Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.*
For Circularity, Banque Misr will start a pilot analysis on the Construction sector. The Bank selects energy efficiency/reduction indicator and waste indicators as the key impact indicators for circularity. BM will work on collecting data on these indicators to be able to set quantitative targets in the upcoming years. In the meantime, the Bank relies on engagement indicators through engaging with key corporates in the selected sector to engage with. Engagement will take various forms:

- Improving our clients’ understanding of circular solutions and potential positive impact on climate, biodiversity, waste, and pollution.
- Sending data requests to clients to be able to map the economic activities with the circular economy.

<table>
<thead>
<tr>
<th>Action</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engaging with clients</td>
<td>1. Energy Efficiency Indicators</td>
</tr>
<tr>
<td>Engage with key clients to develop data collection templates incorporating circularity data and impact data.</td>
<td>• Energy Purchased: Non-Renewable</td>
</tr>
<tr>
<td></td>
<td>• Energy Purchased: Renewable</td>
</tr>
<tr>
<td></td>
<td>• Energy Purchased: Total</td>
</tr>
<tr>
<td>Engage with clients to collect data, starting with key clients and progressively broadening to all clients.</td>
<td>• Energy use reduction (GWh p.a. or %)</td>
</tr>
<tr>
<td></td>
<td>• Energy efficiency (USD/GWh)</td>
</tr>
<tr>
<td></td>
<td>2. Waste Indicators:</td>
</tr>
<tr>
<td></td>
<td>• Waste Produced: Hazardous Waste</td>
</tr>
<tr>
<td></td>
<td>• Waste Disposed: Recycled/Reused</td>
</tr>
<tr>
<td></td>
<td>• Recycled Materials</td>
</tr>
<tr>
<td></td>
<td>• Waste Disposed: Landfill</td>
</tr>
<tr>
<td></td>
<td>• Biodegradable Materials</td>
</tr>
<tr>
<td></td>
<td>• Waste Disposed: Total</td>
</tr>
<tr>
<td></td>
<td>• Waste Produced: Total</td>
</tr>
<tr>
<td></td>
<td>• Waste Produced: Non-Hazardous Waste</td>
</tr>
<tr>
<td></td>
<td>• Waste Reduced</td>
</tr>
</tbody>
</table>
c) SMART Targets
(incl. key performance indicators (KPIs))

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

Response

The Bank is in the process of setting quantitative/impact targets. In the meantime, the Bank relies on engagement indicators through engaging with key corporates in the mentioned key sector to engage with.

Links and references
PRB progress report 2022.

d) Action Plan

which actions including milestones have you defined to meet the set targets? Please describe.

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

Response

Once the targets are set, BM will develop the implementation plan and monitoring procedures that will be used to ensure that targets are met. Following the establishment of the targets, the progress on implementing these targets will be reported

Links and references
PRB progress report 2022.
2.3 Target implementation and monitoring (Key Step 2)

**For each target separately:**
Show that your bank has implemented the actions it had previously defined to meet the set target.

**Response**

BM is in the process of developing the implementation plan and monitoring procedures that will be used to ensure that targets are met. Following the establishment of the targets, the progress on implementing these targets will be reported.

---

<table>
<thead>
<tr>
<th>Alignment</th>
<th>Baseline</th>
<th>SMART targets</th>
<th>Action plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Yes</td>
<td>• Yes</td>
<td>• Yes</td>
<td>• Yes</td>
</tr>
<tr>
<td>In progress</td>
<td>In progress</td>
<td>In progress</td>
<td>In progress</td>
</tr>
<tr>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

(If you are setting targets in more impact areas)

...your third (and subsequent) area(s) of impact: ... (please name it)
3.1 Client engagement

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

- Yes  • In progress  • No

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

- Yes  • In progress  • No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities.

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

Response

BM’s Channels of Client Engagement

1. Client Awareness, Advice and Knowledge/Marketing Services

Banque Misr is committed to providing customers with valuable knowledge and marketing services to raise their awareness of sustainability through a range of actions:

- BM prioritize financing green projects that promote inclusive, resilient, and sustainable responses to the growing climate risks. Our focus is on financing projects in the fields of solar energy, water management, and waste reduction.

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

10 Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.
In addition to our green projects’ initiative, we incentivize project owners to take the necessary measures to combat COVID-19, including precautionary measures for safeguarding the health of their workers. For labor-intensive projects, we advise our customers to avoid halting production, minimize interaction between workers, and observe preventive measures.

Furthermore, Banque Misr works to raise awareness among customers regarding the initiatives launched by the Central Bank of Egypt during this period to address the crisis. BM offers technical support to project owners and managers to ensure that their projects remain operational and sustainable.

To encourage the use of online payment schemes, we educate our customers on the available options and encourage their use. We also encourage our customers to take advantage of online marketing to highlight their products and drive e-commerce.

Finally, we direct our customers to shift from face-to-face marketing to online marketing to improve the safety and sustainability of their businesses. At Banque Misr, we strive to provide our customers with the necessary knowledge and support to help them achieve their sustainability goals while fostering a culture of continuous improvement.

2. Training

We provide a multitude of training for the sake of engaging customers through assisting them in completing banking transactions in lieu of social distancing; as part of crisis management training as well as assisting project owners in mitigating the adverse effects of the crisis. This is in addition to capitalizing on opportunities, cutting costs, increasing sales, adjusting to market changes and practicing corporate online banking.

Our training programs are delivered through accessible mediums such as videos or direct broadcast to ensure that the required training is easily available to all customers. At Banque Misr, we are committed to helping our customers succeed and thrive, even during challenging times.

3. Responsible Finance

To contribute to the economic, social, and environmental advancement of the communities in which we operate, the Bank strives to maximize shareholders’ progress and welfare on a sustainable basis alongside maintaining the highest international standards of corporate governance and regulatory compliance. From this standpoint, Banque Misr has embarked on:
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• BM considers the environmental impact of its clients’ projects and assesses their sustainability before providing financing. The Bank screens all projects to ensure that they comply with the international and local environmental standards and regulations.

• Mandating customers to obtain an official license, which requires under Law no. 4 in 1994 an Environmental Impact Assessment (EIA), approved by the Egyptian Environmental Affairs Agency (EEAA).

• Requiring small enterprises to provide insurance for their workforce.

• Directing funds to renewable energy and most importantly energy efficiency projects to address the challenges of climate change and serve society, in addition to running comprehensive environmental compliance checkups to ensure that financed projects adhere to the Ministry of Environment’s regulations. Banque Misr always integrates an effective environmental footprint in its financial performance, along with sustainable investing.

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

Response

Empowering SMEs
Banque Misr prioritizes empowering SMEs. Recognizing their significant potential to create jobs, generate income, and stimulate innovation. The Bank acknowledges that SMEs require financial support, access to resources, and a supportive environment to thrive, and has been committed through a range of initiatives and partnerships.

Women Empowerment
Banque Misr has launched ZAAT, a comprehensive financing program specifically designed to support Egyptian women, showcasing the Bank’s strong belief in the influential role of women in community development.
Response

The program provides tailored assistance to help women overcome various challenges, including a range of financing benefits, financial and non-financial services, and support for female entrepreneurs and businesswomen to pursue their aspirations.

Financial Inclusion

We are committed to promoting financial inclusion through a variety of initiatives and mechanisms that aim to provide marginalized and underprivileged groups with access to banking services. Our goal is to include as many customers as possible in the formal financial sector, which will not only provide them with all available banking services but also have a positive impact on the national economy, leading to an increase in the country's gross domestic product.

The Bank has collaborated with different organizations, including government entities, NGOs, and academic institutions, to provide financial education and services to underserved groups. By partnering with various sectors across the organization, Banque Misr has successfully extended financial services and education to segments that traditionally have had limited access to these resources.

Microfinance

The Bank signed several significant protocols and agreements with local and international institutions to support microfinance.

For instance, Banque Misr has collaborated with the Ministry of Local Development on the “Mashrouak” program for the financing of micro, small, and medium-sized enterprises (MSMEs) through local single-window units nationwide.
Principle 4

Stakeholders

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

4.1 Stakeholder identification and consultation

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

Yes • In progress • No

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

Response

Banque Misr regularly engages in a systematic annual dialogue with its stakeholders to assess its efforts in promoting sustainability. By collaborating with its business partners, customers, employees, government entities, suppliers, and the local community, the bank gains a deeper understanding of pertinent issues and focuses its efforts on areas of greatest significance. Proactively engaging with a diverse range of stakeholders is integral to maintaining a professional and optimal working environment.

BM employs a comprehensive approach in interacting with its various stakeholders through a variety of connected channels. This enables the bank to evaluate, reinforce, and prioritize its sustainability objectives in a genuine, transparent, and credible manner. Furthermore, BM employs multiple integrated internal and external channels to communicate with stakeholders across various domains.

To refine BM's understanding of key challenges and to address them strategically, the Bank follows a rigorous two-step process:

1. Identification of Stakeholders: BM identified its stakeholders through the Bank’s Materiality Assessment Process. The Bank has a broad range of stakeholders, including peers, investors, clients, customers, regulators, employees, policymakers, suppliers, scientists, academia, civil society, trade unions, and communities. The Bank continuously communicates with these groups to gain insight into their needs and perspectives, and to share information about its strategy, practices, and performance to create a more sustainable future.

Links and references

PRB progress report 2022.
Topics Assessment and Prioritization: BM is keen on engaging and addressing its stakeholders' concerns, and analyzing their views to identify the most pertaining materiality issues that are most impactful on their welfare and satisfaction. Banque Misr ensures that material topics are assessed, evaluated, and reported, along with the consolidated audited financial results for every fiscal year.
Principle 5
**Governance & Culture**

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

### 5.1 Governance Structure for Implementation of the Principles

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

- **Yes**
- **In progress**
- **No**

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

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

**Response**

The Board retains the primary responsibility of incorporating an effective environmental, social, and governance (ESG) approach into its long-term business strategy, in collaboration with Senior Management Executives. BM’s governance structure and processes promote accountability, transparency, and ethical behavior. BM’s committees are responsible for identifying and tracking the primary impacts and setting forward-looking measures to optimize the positive operational impacts and minimize the negative impacts.

Furthermore, the Board of Directors oversees and ensures the application of the Principles for Responsible Banking. Our board is actively engaged in identifying the areas of greatest impact and in setting targets to amplify our positive contributions while minimizing our negative effects.

**Links and references**

BM’s PRB Progress Report 2022
5.2 Promoting a culture of responsible banking

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

Response

We have implemented measures to cultivate a sustainability-focused workplace culture by educating and empowering our employees. We organized extensive capacity building programs on sustainability and multiple reporting frameworks to equip our staff with the knowledge and skills necessary to become sustainability champions. Our objective is to promote positive environmental and social change through the development of a team of experts in sustainable practices. By providing our employees with the resources and tools to understand and implement these practices, we are actively pursuing a sustainable future for our organization and the world.

Moreover, Banque Misr is raising awareness about the importance of electricity conservation and taking steps to encourage its employees and customers to conserve energy. The bank's efforts to reduce its environmental impact extend beyond its own operations and include a broader commitment to promoting environmental sustainability.

5.3 Policies and due diligence processes

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

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

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

Banque Misr takes proactive measures to maximize its positive impact and minimize its negative impacts. The Bank is also maximizing its share of green and sustainable projects by directing its financing and investments towards it. On the other hand, the Bank is building its suitable systems which will cover the E&S related risks according to global best practices.

To ensure environmental responsibility, Banque Misr mandates its customers to obtain an official license, which requires an Environmental Impact Assessment (EIA) approved by the Egyptian Environmental Affairs Agency (EEAA) under Law no. 4 in 1994. Additionally, small enterprises are required to provide insurance for their workforce. The bank also directs its funds towards renewable energy and energy efficiency projects to address the challenges of climate change and serve society. To ensure compliance with Ministry of Environment regulations, Banque Misr conducts comprehensive environmental compliance checkups for financed projects. Through these measures, the Bank effectively balances its financial performance with an environmental footprint and sustainable investment practices.

The Bank is taking steps to increase its green portfolio by directing its financing efforts towards sustainable projects. BM has successfully financed 71 such projects, resulting in an impressive outstanding balance of EGP 8.7 billion. In addition to its green financing initiatives, Banque Misr is also working on developing suitable systems to manage environmental and social (E&S) risks in accordance with global best practices. These systems will help BM identify and mitigate potential E&S risks associated with its operations and ensure that it operates in a socially and environmentally responsible manner.
# Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank’s governance system?

- Yes  •  No

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

- Yes  •  No

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

- Yes  •  In progress  •  No
 Principle 6  
**Transparency & Accountability**

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

### 6.1 Assurance

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

| ☑ Yes | • In progress | • No |

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

**Response**

Assurance statement is included at the end of our PRB progress report for 2022

**Links and references**

BM’s PRB Progress Report 2022

### 6.2 Reporting on other frameworks

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

| ☑ GRI |
| ☑ SASB |
| • CDP |
| • IFRS Sustainability Disclosure Standards (to be published) |
| • TCFD |
| • Other: …. |

**Response**

We publish our annual Sustainability Report on our website in line with GRI standards to further cement the incorporation of social development and environmental sustainability dimensions into our core business operations, creating shared value for all our stakeholder. We are currently reporting on SASB disclosures as well.

**Links and references**

BM’s PRB Progress Report 2022
6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis\textsuperscript{13}, target setting\textsuperscript{14} and governance structure for implementing the PRB)?

<table>
<thead>
<tr>
<th>Response</th>
<th>Links and references</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Bank is in the progress of measuring required indicators and setting quantitative targets for financial inclusion and circularity</td>
<td>PRB progress report 2022</td>
</tr>
</tbody>
</table>

6.4 Challenges

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

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

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

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

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

\textsuperscript{13}For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement.

\textsuperscript{14}For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.
Independent Limited Assurance Report

Independent Limited Assurance Report of FBRH Consultants Ltd to Banque Misr for the UN Principles for Responsible Banking disclosure.

FBRH Consultants Ltd ("FBRH" or "we") has been engaged by Banque Misr to provide limited assurance over the Selected Information described below for the year from March 2022 - March 2023.

**Conclusion:**
Based on our work and the evidence obtained, we have not identified any significant misstatements in the Selected Information within Banque Misr’s United Nations Environment Programme Finance Initiative’s Principles for Responsible Banking Reporting and Self-Assessment Template for the year ended 31 March 2023. Please note that this conclusion should be read in conjunction with the rest of this report, including the inherent limitations explained below and the intended use of this report.

**Selected Information:**
Our work scope only covers the information contained in selected sections of Banque Misr’s United Nations Environment Programme Finance Initiative’s Principles for Responsible Banking Reporting and Self-Assessment Template ("UN PRB Template") for the year ended 31 March 2023. The Selected Information includes the "high-level summary of the bank’s response" to the following requirements:

- 2.1 Impact Analysis
- 2.2 Target Setting
- 2.3 Plans for Target Implementation and Monitoring
- 2.4 Progress on Implementing Targets
- 5.3 Governance Structure for Implementation of the Principles
- 6.1 Progress on Implementing the Principles for Responsible Banking

We have not performed any procedures or provided any conclusions regarding other information that may be included in the UN PRB Template or displayed elsewhere on Banque Misr’s website for the current or previous periods, unless stated otherwise.

**Reporting Criteria:**
To form our judgments, we utilized the Banque Misr Sustainability Report 2022-23 as outlined at https://www.banquemisr.com/en/Home/ABOUT-US/Responsible-Banking ("the Reporting Criteria"). The Selected Information should be considered together with the Reporting Criteria.

**Inherent Limitations:**
Non-financial information has inherent characteristics that may result in different evaluation and measurement techniques, leading to varying measurements and impacting comparability between entities and over time. The UN PRB Template aims to address common user needs and may not encompass every aspect of Banque Misr’s impact management system that individual users might find important. Our procedures do not assess the suitability of the design or the operating effectiveness of Banque Misr’s UN PRB impact management systems and processes in achieving alignment with the UN Principles for Responsible Banking or the resulting impacts achieved. Furthermore, the future projection of impact management systems and processes is subject to the risk of change.

**Directors’ Responsibilities:**
Banque Misr’s Directors are responsible for:
- Designing, operating, and maintaining internal controls relevant to the preparation and presentation of the UN PRB Template, ensuring it is free from material misstatement.
- Selecting and/or developing objective Reporting Criteria.
- Measuring and reporting the Selected Information in accordance with the Reporting Criteria.
- The contents and statements contained within the Report and the Reporting Criteria.

**Our Responsibilities:**
Our responsibility is to plan and perform our work to obtain limited assurance on whether the Selected Information has been properly prepared, in all material respects, in accordance with the Reporting Criteria. We report our independent limited assurance conclusion to Banque Misr based on the work performed and evidence obtained.
Assurance Standards Applied:
We conducted our work in accordance with the FBRH Sustainability Report Assurance. This standard requires us to obtain sufficient and appropriate evidence to support our conclusion.

Summary of Work Performed:
A limited assurance engagement involves planning and performing procedures to obtain sufficient appropriate evidence to provide a meaningful level of assurance on the Selected Information. We assess the suitability of the Reporting Criteria for our limited assurance engagement and select procedures based on our judgment, understanding of the Selected Information, and other relevant circumstances where material misstatements may arise. Our procedures included:

- Discussions with relevant Banque Misr’s management to understand internal controls, governance structure, and reporting processes related to the preparation and disclosure of the UN PRB Template.
- Virtual site visits to conduct selected tests on relevant documentation, assessing compliance with applicable criteria in data collection and reporting.
- Examination of source documentation to verify significant claims made within the selected criteria of the UN PRB Template, on a sample basis.
- Evaluation of the risk of material misstatement in the selected sections of the UN PRB Template.
- Reviewing the accuracy of references to the UN PRB Template in Banque Misrs’ annual report and ensuring consistency with our findings.

The nature, extent, and timing of the procedures performed in a limited assurance engagement differ from those in a reasonable assurance engagement, resulting in a substantially lower level of assurance than that obtained in a reasonable assurance engagement.

Intended Use of this Report:
This report has been prepared solely for Banque Misr in accordance with the terms of our engagement. It fulfils the agreed requirements determined by Banque Misr at the time. Consequently, this report should not be considered suitable for use or reliance by any party seeking rights against us, except for Banque Misr, for any purpose or in any context. Any party other than Banque Misr who obtains access to or relies on our report (or any part of it) does so at its own risk. FBRH Consultants LTD accepts no responsibility or liability to any other party regarding our report to the fullest extent permitted by law.

As a signatory to the UN Principles of Responsible Banking, Banque Misr is obligated to publish the completed UN PRB Template, and the outcome of the assurance process should be included in the bank’s reporting, as per the Principles for Responsible Banking Guidance Document. While our duties and responsibilities are solely with Banque Misr and do not extend to other parties, we have granted consent for the disclosure of our report on Banque Misrs’ website at https://www.banquemisr.com/en/Home/ABOUT-US/Responsible-Banking to assist Banque Misr in meeting this requirement.

Simon Pitsillides MBA, FCIM, FIEMA
GRI Nominated Trainer, IEMA Trainer
GRI Certified Sustainability Professional

FBRH CONSULTANTS LTD
London
27 June 2023

The maintenance and integrity of Banque Misrs’ website is the responsibility of the Directors of Banque Misr. Our work does not involve consideration of these matters, and therefore, we assume no responsibility for any changes that may have occurred to the reported Selected Information, Reporting Criteria, or Report presented on Banque Misrs’ website since the date of our report.