

Sustainable Finance Policy

Table of Contents

1. Executive Summary 3
2. Purpose 3
3. Objective 3
4. Scope 4
5. Roles & Responsibilities & Authority Matrix 5
6. Governance and Oversight 5
7. Policy Statement 6
8. Monitoring and Review 9
9. Implementation & Compliance 9
10. Environmental, Social and Governance (ESG) Goals 10
11. References & Related Policies 10
12. Glossary, Definitions & Key Terms 11

1. Executive Summary

The Sustainable Finance Policy emphasizes System Thinking, which constitutes the Bank's philosophy and helps adopt a holistic approach to consistently sustain value creation. The Policy displays CIB's commitment to integrating sustainability across its policies, strategic initiatives, financed transactions, and operational practices. It acts as a comprehensive guiding document that sets the Bank's roadmap towards a sustainable resilient business model, by setting purpose, objectives, scope, boundaries, growth drivers, as well as the necessary foundation and steps to conclude the systemic transition.

2. Purpose

The Sustainable Finance Policy asserts CIB's commitment to integrating sustainability, embodying the Economic, Environmental, Social, and Governance (EESG) dimensions across the Bank's policies, procedures, operations, and culture to sustain value creation, in the short, medium, and long term. It constitutes the institutional blueprint and frame of reference for all functions and business lines.

3. Objective

The objective of this Policy is to transform the Bank's business model into a sustainable and resilient archetype for value creation with the following focus:

- Develop a robust sustainability governance structure, with clear roles and responsibilities to drive the Bank's ESG transition.
- Comply with sustainability regulatory mandates and laws, and the Bank's sustainability frameworks' commitments that accelerate the transition.
- Ensure an efficient sustainability system transformation, including:
  - ESG integration into the Banks' policies and procedures.
  - ESG reporting, disclosures, transparency, and assurance, in line with regulatory mandates and the international frameworks and standards.
  - Sustainability data management and digitalization.
  - Monitoring and evaluation.
  - ESG auditing.
- Enact a sustainable finance growth strategy across business and operational activities that creates value for the Bank's stakeholders leveraging ESG to:
  - Mobilize capital towards business activities that enhance long-term value drivers ensuring economic growth and ESG considerations.
  - Build a strong and agile Environmental and Social Risk Management System (ESRMS) and climate risk management systems, to ensure long-term risk management and resilience, and unlock new business opportunities.
- Develop sustainable finance instruments, products, programs, and non-financial tools to generate positive environmental and social impact.

- Implement a robust Environmental and Social Management System (ESMS) to manage the Bank's operational ecological and social footprint.
- Leverage sustainability stakeholders' engagement and advocacy to accelerate the ESG transition.
- Build an ESG culture and internal capacities across the Bank to promote sustainability, via ESG learning resources and activities.

4. Scope

This Policy applies to all the Bank's departments and guides all internal stakeholders responsible for aligning with the policy's requirements in their respective areas. The Bank's approach is built around long-term value creation, which is achieved through an ecosystem-based business model that engages the Bank's stakeholders and the external ecosystem at large, from staff to clients, shareholders, investors, creditors, suppliers, regulators, governmental bodies, peers, business partners, suppliers, and the environment through multiple channels. The Bank engages with stakeholders by providing capacity-building and knowledge-sharing opportunities to its staff and clients to increase their awareness level and advance CIB's sustainable finance strategy.

5. Roles & Responsibilities & Authority Matrix

CIB believes that sustainable finance is a driving force for economic, environmental, and social development, which depends on upholding governance rulings. CIB understands that sustainable finance represents the integration of the economic, environmental, social, and governance aspects in all business operations. Accordingly, this implies that our business operations respect and advance the protection of the environment, human rights, labor rights, good governance, and business ethics.

Document	Sustainable Finance Steering Committee (SFSC)	Executive Committee (ExCo)	Board Sustainability Committee (BSC)	Governance and Nomination Committee (GNC)	Board of Directors (BOD)
Sustainable Finance Policy Review	✓ Concur	✓ Concur	✓ Concur	N/A	✓ Approve
BSC Charter Review	N/A	N/A	✓ Concur	Concur	✓ Approve
SFSC Charter Review	✓ Concur	✓ Approve	N/A	N/A	N/A
Sustainable Finance Frameworks	✓ Concur	N/A	✓ Approve	N/A	✓ Notified
Sustainable Finance Regulatory Reports	✓ Concur	N/A	✓ Approve	N/A	✓ Notified[1]
Annual Sustainability Reports (as per Sustainability Frameworks' Commitments)	✓ Concur	N/A	✓ Approve	N/A	✓ Notified

[1] The BOD has delegated the BSC to approve the CBE mandated sustainability reports.

6. Governance and Oversight

CIB has a robust sustainable finance governance structure that complies with regulators' mandates and best practices, ensuring a top-down and a bottom-up approach to accelerate ESG integration across the Bank.

6.1. Board of Directors (BOD):

Responsible for ensuring that the right strategy and controls are in place to assess and manage risks to deliver value to shareholders, staff and the community. The Board focuses on CIB's long-term financial and non-financial success and oversees the Bank's economic, social, and environmental sustainability initiatives.

6.2. Board Sustainability Committee (BSC):

Responsible for providing strategic guidance on environmental, social, and sustainability governance and oversees the effective integration of ESG policies and practices within the Bank's business and operations, while ensuring alignment with regulatory mandates and national, regional, and global frameworks.

6.3. Executive Committee (ExCo):

Responsible for executing the BOD's approved strategy and is guided by the Bank's mission and vision statements.

6.4. Sustainable Finance Steering Committee (SFSC):

Responsible for establishing guidance, empowering and monitoring the Sustainable Finance Function in line with CIB's business needs and in accordance to international best practices.

6.5. Sustainable Finance Department:

Responsible for ensuring the centrality of sustainable finance as a core business strategy and provides a solid platform to integrate ESG principles across the Bank's functions.

6.6. Sustainability Strategic Network (SSN):

Integrates ESG across the Bank's operations, driving CIB's sustainable growth and fostering a culture of sustainability and innovation, through a bottom-up cross-functional multi-stakeholder approach.

7. Policy Statement

7.1. Approach

The Sustainable Finance Policy outlines CIB's approach to sustainable finance, which comprises interconnected pillars addressing the Bank's Economic, Environmental, Social, and Governance (EESG) impact. CIB's Sustainability System Transformation is driven by the Bank's proprietary sustainability framework, (Sustainable Finance Institutional Pillars), which includes the following:

- Sustainability Governance.
- Sustainable Finance Policy and Frameworks Architecture.
- Sustainability Management Systems.
- Sustainable Finance Strategy.
- Sustainability Advocacy and Stakeholders' Engagement.
- Sustainable Finance Innovation.

CIB's approach is further substantiated by the double materiality concept, which is conducted following the Global Reporting Initiative (GRI) guidelines, which comprehensively guide the Bank's decision-making process, ensuring a balanced consideration of ESG risks and opportunities.

7.2. Driving Inclusive Growth: Business And Operational Activities

CIB is committed to creating value through its business and operational activities, driven by the core principle of innovative revenue generation, long-term risk management, and positive impact on the planet and society.

7.2.1 Business Activities

The Bank's business activities will enhance long-term value creation and ensure economic growth while advancing ESG considerations, through unleashing ESG opportunities for the various lines of business, Corporate Banking, Retail Banking and Financial Inclusion and Direct Investment.

7.2.2 Environmental and Social Risk Management System (ESRMS)

CIB's ESRMS framework integrates environmental and social risk management into the Bank's lending and investment business processes to identify, assess, and mitigate ESG risks in alignment with national laws and regulations, international standards and frameworks (International Finance Corporation (IFC), European Bank for Reconstruction & Development (EBRD), and Equator Principles (EP)). The ESRMS includes an integrated framework of policies, procedures, tools, and internal capacities to identify and manage CIB's clients' and investors' exposure to ESG risks.

The Bank's Enterprise Risk Management framework includes a Climate Risk Management framework that governs CIB's risk management practices for measuring and managing climate, physical, and transition risks. CIB's climate risk management approach involves identifying and assessing the material climate risks that could impact the Bank's operations and financial performance, through the use of qualitative and quantitative tools (such as stress testing and scenario analysis). CIB's climate risk management system extends beyond traditional risk management practices, to mitigate risks, and actively seek out growth opportunities and drive transition planning for the Bank and its clients, which incorporates climate risks and opportunities and sets sector-specific decarbonization pathways.

7.2.3 Revenue Generation: Sustainable Finance Product Development

CIB recognizes that sustainable lending and investing represent a fundamental shift in the financial landscape, where considerations extend beyond traditional financial metrics to encompass environmental and social impacts. The Bank deploys resources that aim to generate returns for shareholders and contribute to CIB's growth.

CIB develops sustainable finance instruments, products, programs, and non-financial tools for its clients to generate positive environmental and social impact, to help transition the real economy, driving the growth of corporate enterprises and Micro, Small, and Medium-Sized Enterprises (MSMEs).

CIB provides its clients with viable, impact-driven products and programs that address environmental and social risks, such as climate finance loans for mitigation, adaptation and financing of the circular economy. The Bank aims to support clients in their decarbonization journeys, while fostering innovation and resilience. Furthermore, CIB continues to partner with Development Finance Institutions (DFIs) and Multilateral Development Banks (MDBs) to enhance its sustainable financing mechanisms and transition finance offerings that prioritize environmental and social responsibility, and

promote the low carbon economy transition in alignment with national and international standards and guidelines. CIB supports the growth of individuals and entrepreneurs by offering valuable and affordable financial products and services that meet their needs.

CIB is committed to serving the unbanked and underbanked segments of society by facilitating access to finance, financial products, and services, with emphasis on gender and youth empowerment. The Bank invests in its digital capabilities and relies on its proximity to customers to create value for the unbanked and underserved communities.

7.2.4 Operational Footprint

CIB is committed to applying and implementing a robust ESMS within the Bank's day-to-day operations to manage its ecological and social footprint.

The Bank is committed to measuring, reducing, and improving its ecological footprint (including carbon, land, and water). By regulating emissions (decarbonizing operations), and ensuring the safe removal and management of waste, CIB strives to meet high standards for premises' efficiency, safety, and environmental impact.

CIB is diligent about tracking and improving its social footprint, by contributing to human capital development throughout its business operations. The Bank champions gender equality, fair working conditions, talent management and development, diversity and inclusion, and social engagement. There is no tolerance for discrimination or any form of harassment based on gender, age, disability, ethnicity, or religious belief.

CIB conducts social and environmental impact assessments on its operations, including outsourced partners and supply chain management, supporting labor and human rights, by integrating ESG relevant principles and best practices according to national and global standards, and regulations with the Bank's business partners and suppliers.

7.3. SUSTAINABILITY SYSTEM TRANSFORMATION

7.3.1 Policies & Procedures

CIB is committed to implementing ESG standards across the Bank and aims to continuously develop policies, procedures, Key Performance Indicators (KPIs), targets, actions, and ESG scorecards. The adopted approach supports all departments across CIB in integrating ESG criteria and risks into their functions.

7.3.2 ESG Reporting, Disclosures, Transparency and Assurance

CIB is committed to transparency in its ESG disclosures, reports, and environmental and social impact assessments. This is in recognition of the role of non-financial sustainability disclosures in enhancing the Bank's performance and driving positive business impact, by creating value for all stakeholders and facilitating oversight for regulators.

The Bank's sustainability performance, including climate-related financial disclosures and ESG-relevant reporting, are publicly disclosed on the CIB's website and across various sustainability platforms, which are third-party assured, on a regular basis to meet stakeholders' expectations and strengthen their confidence in

the Bank's capacity to sustain value creation.

The specific periodic sustainability reports mandated by the CBE and the Financial Regulatory Authority (FRA) are provided to the regulatory body and published according to required frequencies (quarterly, semi-annual, and annual).

7.3.3 ESG Data Management and Digitalization

ESG data management and digitalization are fundamental to CIB's strategy for generating shared value. Recognizing the increasing significance of ESG disclosure in informed decision-making and prudent management, CIB acknowledges the benefits of developing an ESG data management platform incorporating governance and architecture for ESG data.

CIB is dedicated to continuously improving its cyber-security capabilities and infrastructure to guarantee a secure and uninterrupted consumer experience.

7.3.4 Monitoring and Evaluation

CIB is committed to enacting the Sustainable Finance Scorecard to track EESG KPIs, which are performance indicators that measure, quantify, and assess relevant individuals' and functions' performance. The Monitoring & Evaluation system will ensure diligent gathering, tracking, reporting, evaluating, and improving on metrics and quantified KPIs.

7.3.5 ESG Auditing

CIB periodically enacts ESG External Auditing to establish different layers of assurance, abiding to the CBE instructions and other stakeholders concerns as relevant to CIB mandates, to ensure the efficiency of the implementation of sustainability systems, integrating EESG KPIs across the Bank and ensuring systematic and regular monitoring of the Sustainable Finance Strategy objectives and KPIs.

8. Monitoring and Review

This policy is reviewed on an annual basis. All policies are to be subject to full review and are submitted to the concerned committees and subsequently the BOD for concurrence and approval within a maximum of three years of their previous review.

9. Implementation & Compliance

This Policy complies with all relevant laws and regulators' directives, including the CBE Sustainable Finance Guidelines and the FRA ESG Guidelines. Additionally, it has been developed in alignment with the following regulations, frameworks, and best practices:

- National strategies, including Egypt's Vision 2030, the Egypt National Climate Change Strategy 2050, and National Determined Contributions (NDCs).
- The United Nations Sustainable Development Goals (UNSDGs) and the Paris Agreement for Climate Change.
- CIB's architecture of global frameworks and standards.
- CIB Green Bond Framework.

• CIB Sustainable Finance Framework.

Compliance with this Policy is mandatory for all Bank staff and outsourced staff. Management is responsible for ensuring that the Policy's guidelines are followed and enforced. Regular reports on compliance are prepared by Sustainable Finance and presented to the SFSC, ExCo, and BSC.

Any violation or deviation from this Policy may result in disciplinary action.

10. Environmental, Social and Governance (ESG) Goals

This policy document is in compliance with and implements pertinent Sustainability Environmental, Social, and Governance (ESG) principles, standards, frameworks, and best practices, all while adhering to relevant national laws and regulations. Additionally, the policy must adhere to and execute the sustainability system components outlined in this policy, and it must guarantee that important Environmental, Social, and Governance (ESG) indicators are consistently and comparably measured, monitored, controlled, and reported in order to improve accountability, transparency, and enforcement.

11. References & Related Policies

This Policy has linkage with the following policies and procedures:

1. Sustainable Finance Department Guide.
2. Environmental & Risk Management (ERSM) SOP.
3. Business Banking Sustainable Finance Loans SOP.
4. Policies and SOPs across the Bank with integrated ESG clause and ESG factors.

12. Glossary, Definitions & Key Terms

Abbreviation	Abbreviation
BOD	Board of Directors
BSC	Board Sustainability Committee
CBE	Central Bank of Egypt
CIB	Commercial International Bank
DFIs	Development Finance Institutions
EBRD	European Bank for Reconstruction and Development
EESG	Economic, Environmental, Social and Governance
EP	Equator Principles
ESG	Environmental, Social and Governance
ESMS	Environmental and Social Management System
ESRMS	Environmental and Social Risk Management System
ExCo	Executive Committee
FRA	Financial Regulatory Authority
GRI	Global Reporting Initiative
IFC	International Finance Cooperation
KPI	Key Performance Indicator
MDBs	Multilateral Development Banks
MSMEs	Micro-, Small-, and Medium-Sized Enterprises
NDCs	National Determined Contributions
SFP	Sustainable Finance Policy
SFSC	Sustainable Finance Steering Committee
SSN	Sustainability Strategic Network
UNSDGs	United Nations Sustainable Development Goals

Term	Definition
Value Creation	The value creation process demonstrates CIB's ability to transform various forms of capital into substantial benefits for stakeholders. By leveraging and borrowing the five capitals outlined in the Integrated Reporting (IR) Framework-financial, intellectual, human, social & relationship, and natural-CIB emphasizes its extensive impact across governance, social, and environmental spheres. CIB recognizes that value creation extends beyond financial gains, encompassing intangible assets and relationships that are vital for generating value. For instance, "Social & Relationship Capital" is essential as it fosters interactions and collaborations with stakeholders, enhancing CIB's reputation, building trust, and contributing to financial success, operational efficiency, and sustainability.
Double Materiality Concept	Double materiality is a sustainability concept that recognizes the impact of ESG aspects, including risks and opportunities, on a company's long-term financial success as well as the impact of an organization's activities on the environment and society. CIB continues adopting double materiality assessment, analyzing the impact of ESG aspects on CIB's activities and financial performance (financial materiality) and the impact of CIB's activities on stakeholders and society (impact materiality). Impact and financial materiality can be both positive and negative, and they are not mutually exclusive.



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