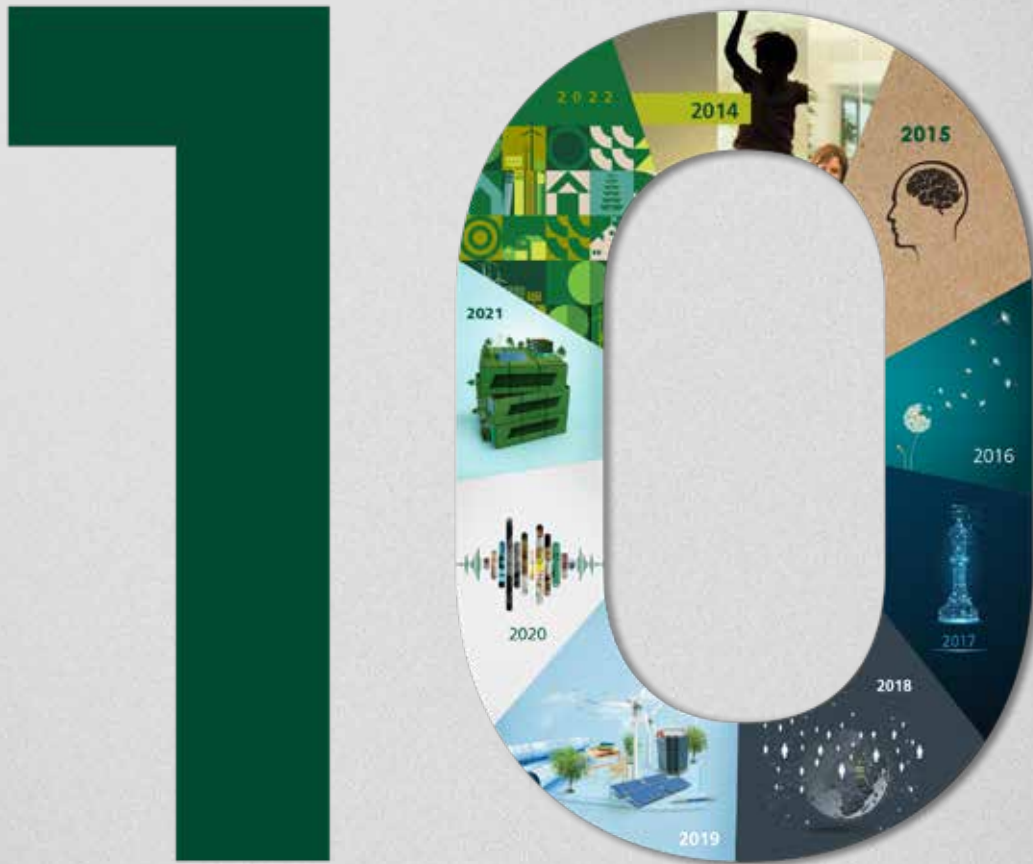


FROM INDIFFERENCE TO ENGAGEMENT

# CELEBRATING



# YEARS

OF SUSTAINABILITY REPORTING

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## ABBREVIATIONS

AUMs	Assets Under Management
BNPL	Buy Now Pay Later
CFR	Carbon Footprint Report
CSI	Corporate Sustainability and Impact
CSO	Chief Sustainability Officer
CSR	Corporate Social Responsibility
EEP	Egypt Education Platform
ESG	Environmental, Social and Governance
FEMs	Frontier Emerging Markets
GHG	Greenhouse Gas
HR	Human Resources
IA	Internal Audit
ISD	Integrated Sustainable Development
NBFI	Non-banking Financial Institution
SDGs	Sustainable Development Goals
TCFD	Task Force on Climate-related Financial Disclosures
TSFE	The Sovereign Fund of Egypt
UNGC	United Nations Global Compact
UN PRI	United Nations Principles for Responsible Investment

# 1. CHAIRPERSON'S FOREWORD



## CHAIRPERSON'S FOREWORD



The title of this report is 'From Indifference to Engagement – 10 Years of Sustainability Reporting' and it truly illustrates the journey that EFG Holding has taken over the past decade. When we first articulated our social purpose and committed to integrating sustainability into our operations, there was very little awareness of how environmental and social issues could potentially impact our investments and the markets where we do business. Fast forward ten years, and we come to a world that is bouncing from crisis to crisis, caught in an increasingly challenging socioeconomic environment that demonstrates the interconnectedness of the challenges that face us. Financial institutions such as ours have come to realise how critical it is to balance the requirements of their shareholders with the needs of the larger global community. There is vast potential for investment in the transition to sustainability but there are also substantial risks, underscoring the need to enhance our resilience and fortify against potential upheavals.

At EFG Holding, I am proud to look back at the progress we have made. Our steps have been measured and deliberate because we prioritise tangible, long-term benefits over short-term gains or media hypes. Our sustainability report is brimming with stories of real-world impact illustrating the extraordinary outcomes that are possible when sustainability is interwoven throughout investment pipelines. Prioritising areas such as clean energy, education, and healthcare has resulted in perceptible impact designed to accelerate the transformation to a more equitable sustainable world while also demonstrating solid improvement in access to services and financing at the community level. One project that stands out this year is the EFG Foundation's Green Footprint initiative. Forty women from Luxor have been empowered as agents of socioeconomic change in their communities through a project that truly embodies the spirit of integrated sustainable development.

The realization of the SDGs hinges on our ability to ensure equity and inclusivity, while distributing both responsibilities and rewards fairly. Such a balanced approach promises a just transition, paving the way for a better future for all. There is much work to be done, but together with our stakeholders and partners, we are stepping up to our responsibilities and looking forward to the next 10 years of impact and leadership.

As always, I thank you for your continued support, and I humbly present you with EFG Holding's 2023 Sustainability Report.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'M. Zulficar'.

**Mona Zulficar**

Chairperson

## 2. A NOTE FROM OUR CEO

**GOVERNANCE**



## A NOTE FROM OUR CEO



I'm pleased to share EFG Holding's Sustainability Report 2023 detailing how we're delivering on our commitments to our stakeholders and enabling sustainable and inclusive growth for people and businesses across the markets where we operate.

Given our unique position as a trailblazing financial institution at the heart of Frontier Emerging Markets (FEMs), we embrace our responsibility to help address some of the biggest economic, social, and environmental challenges facing the world today.

In 2023, we concentrated our efforts on sustainability transformation within three principal sectors: Clean Energy, Education, and Healthcare. We are confident that our specialized knowledge in these areas will optimize outcomes, yielding significant contributions to the Sustainable Development Goals (SDGs) and ensuring robust financial benefits for our investors and stakeholders. In each of these areas, we undertake complementary investment, financing and support initiatives that together maximize impact and contribution to the realization of the SDGs.

In the clean energy sector, Vortex Energy, our flagship energy transition investment platform, is at the forefront of global efforts to transition to clean energy generation and to the electrification of transport. In 2023, Vortex Energy participated in an approximately USD 80 Mn equity investment in EO Charging, a British electric vehicle (EV) charging solutions company in cooperation with Zouk Capital, as part of its global mandate to invest within the energy transition spectrum on behalf of sovereign, institutional, and strategic investors. To raise awareness and encourage investment in the energy transition, EFG Hermes One promotes several exchange-traded funds (ETFs) with themes that support impact investment in green energy-related companies. On the retail banking side, we offer several programmes that provide affordable financing for renewable energy technology on the individual and small business scale.

In education and healthcare, 2023 saw us close several groundbreaking deals for projects that aim to provide improved services and increased access to financing across several of our markets. We are particularly proud of valU, MENA's leading universal financial technology powerhouse and an EFG Holding subsidiary, which has established itself as a pioneer in education and healthcare finance through a series of innovative collaborations.

We have also focused on promoting financial inclusion and resilience by helping to increase access to affordable financing as a way to unlock business investment, enable greater regional development, and grow productivity across our footprint. aiBANK, in particular, places considerable emphasis on financial inclusion in its product offerings, continuously seeking to empower both individuals and businesses through innovative tools and partnerships in areas such as SME financing and mortgage financing for lower income segments.

Increasing resilience at the community level was also a key focus during 2023. The EFG Foundation continues its pioneering integrated development work in Upper Egypt to improve living conditions and provide vital access to services and opportunities. As part of this commitment, the Foundation launched the innovative Green Footprint initiative to encourage sustainable agricultural micro-entrepreneurship among the women of El Deir village. I am delighted to report that this pioneering project won first place in the non-profit projects category at the Smart Green Project Competition in Luxor held by the National Initiative for Smart Green Projects.

This year also saw us celebrate 10 Years of Sustainability Reporting, a milestone that makes us immensely proud. We continue to improve our reporting and disclosure procedures and to update our policy environment to meet new challenges. We are immensely proud to report that in 2023, we issued our Carbon Footprint base year report for EFG Holding, EFG Finance, Corp-solutions and Tanmeyah. This is a significant milestone in our sustainability journey and a key step in ensuring our focus on sustainability. We submitted our fifth transparency report as part of our commitment to the UN PRI, renewed our commitment to the United Nations Global Compact (UNGC), and fulfilled the Task Force on Climate Financial Disclosure (TCFD) requirements mandated by the Financial Regulatory Authority (FRA) in a commitment that reflects our ability to manage the risks and opportunities associated with climate change.

I would like to take this opportunity to thank our stakeholders, partners, and clients for their faith and support. As always, our success is thanks to our employees and their commitment to our goals. They are empowered to be part of our sustainability journey and have helped us consistently deliver and grow.

We have much more to accomplish in the years ahead, but our commitment and focus remain strong.

I thank you for your time and herewith present our progress in this, our tenth annual Sustainability Report.

Sincerely yours,

**Karim Awad**

Group Chief Executive Officer

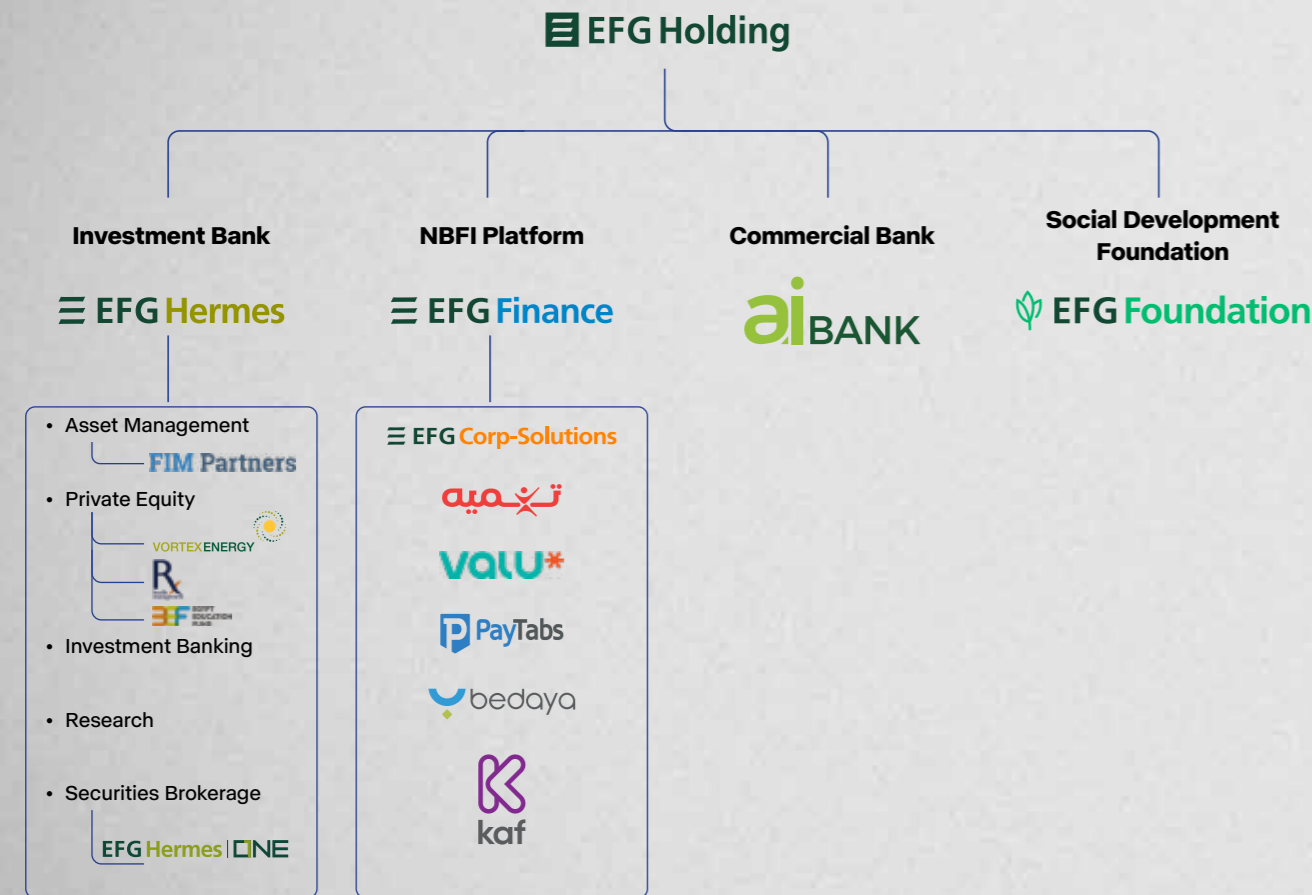
### 3. EFG HOLDING - REALIZE MORE



## EFG HOLDING – REALIZE MORE

For 40 years, EFG Holding has been a gateway for clients in search of the most compelling equities in emerging markets; for investors looking for sustainable returns; for individuals seeking innovative solutions to achieve financial freedom, from purchasing a home to educating their children; for businesses of all sizes working to unlock their full potential; for shareholders who require confidence in our growth strategies; for communities in need of viable change to drive integrated sustainable development; and for people seeking to unlock their full growth potential.

In May 2023, EFG Hermes successfully rebranded to EFG Holding to ensure brand evolution in line with the Group's expansion across three distinct verticals: EFG Hermes the investment bank, EFG Finance the non-bank financial institutions (NBFI) platform, and aiBANK the commercial bank. The name changes on the group level also entailed changing the EFG Hermes Foundation's name to become the EFG Foundation. Today, EFG Holding stands as a trailblazing financial institution providing boundless financial opportunities with a universal bank in Egypt and the leading investment bank franchise in Frontier and Emerging Markets (FEM), consistently offering customers best-in-class, end-to-end financial services.



The three verticals under EFG Holding are:

**EFG Hermes** – the leading investment bank in Frontier and Emerging Markets (FEM), the vertical is home to the Group's investment banking, securities brokerage, research, private equity, and asset management divisions. Through this franchise, EFG Holding provides its broad base of individual, institutional, and government-backed clients across the globe with a holistic suite of advisory and capital management services in FEM.

**EFG Finance** – the fastest-growing NBFI platform in Egypt and a growth engine for financial inclusion, the vertical is home to numerous brands, including leasing and factoring platform EFG Corp-Solutions, microfinance player Tanmeyah, mortgage finance provider Bedaya, insurance company Kaf Insurance, and e-payment platform PayTabs Egypt. It also encompasses valU, the leading lifestyle enabling fintech solution in Egypt.

**aiBANK** – since its acquisition by EFG Holding and The Sovereign Fund of Egypt (TSFE) in December 2021, the commercial bank has been on an impressive growth trajectory to expand and hone its retail, corporate, and Islamic banking offerings.

As we look ahead, our goal is to build an ecosystem of businesses that work seamlessly together to provide clients with best-in-class, end-to-end financial solutions at every stage of their lives or of the growth of their businesses, creating a positive impact on societies, economies, and the environment.

## EFG Holding in Numbers

Present in **8 countries** across three continents.

Transactions cover **95%+** of the MSCI Frontier and MSCI Emerging Frontier indices.

**5.1 billion USD** assets under management.

**+ 1 million app** customers financed through award-winning lifestyle-enabling fintech solution, valU.

**+2 million lives** insured by Egypt's fastest growing insurance provider, Kaf Insurance.

**379,000 micro-borrowers** through Egypt's largest private microfinance player Tanmeyah.

**300 million EUR** invested in renewables through Vortex Energy to date as of FY2022.

**165 million EGP** invested to date by the EFG Foundation to enhance the livelihoods and education of underprivileged communities.

**7,000+ employees** across Cairo, Dubai, Abu Dhabi, Riyadh, Kuwait City, Karachi, Nairobi, Abuja, London.

With a shared vision, purpose, and set of values under the new slogan 'Realize More', the rebrand reflects EFG Holding's growth from one of Egypt's first pure-play, independent investment banks to what is now a financial powerhouse with the ability to serve people of all income levels and companies of all sizes across 9 markets through the unmatched expertise of over 7,000+ employees. It is this strategy that has allowed us to provide the tools and access to finance that our customers need to live better lives, build their businesses, and drive sustainable change in the communities in which they live and work.



**YEARS OF  
REALIZING  
MORE**



## 4. FY 2023 – AWARDS & RECOGNITION



ESG Investing  
Finalist: Awards 2023

## FY 2023 – AWARDS & RECOGNITION

**EFG Holding and its subsidiaries consistently receive recognition for excellence and innovation and 2023 was no different!**



**Best corporate sustainability strategy**  
**Best ESG investment Fund: Infrastructure**  
**Best ESG investment Fund: Private Equity**



**Financial Inclusion Award – Middle East**



**aiBANK – Most Innovative SME Financing campaign**



**valU – Best Fintech Startup in North Africa: BNPL Service**



**EFG Hermes One – The Trading Platform of the Year**

**We are immensely proud of the achievements of our executives who have consistently been recognized as outstanding in their fields.**



**Karim Awad**  
 CEO, EFG Holding  
**#48 – 100 Most Powerful Arabs 2023**



**Mona Zulficar**

Non-Executive Chairperson, EFG Holding  
**#48 – 100 Most Powerful Businesswomen 2023**



**Hanaa Helmy**  
 Group Chief Sustainability Officer, EFG Holding & CEO of the EFG Foundation  
**One of 5 MENA Businesswomen Leading the Sustainability Agenda**



## SUSTAINABILITY AWARDS TIMELINE

### 2013

Pan-Africa Award for Corporate Social Responsibility at EMEA Finance's African Banking Awards.  
Gold Medal for CSR in the MENA region from Tatweej Academy.

### 2016

EFG Holding is selected as one of 30 Egyptian companies listed on the S&P/EGX ESG Index.

### 2017

EFG Holding is included in the FTSE4Good Emerging Index as one of only six MENA constituents.

### 2018

Hanaa Helmy, the Group Chief Sustainability Officer (CSO) is named one of 12 global SDG Pioneers by the UNGC .

### 2020

EFG Holding is included among 30 regional companies in Refinitiv and the Arab Federation of Exchanges' Low Carbon Select Index.

### 2021

EFG Holding is recognized as a Sustainability Champion by the FRA  
Hanaa Helmy, the Group CSO, is recognised by the International Data Corporation (IDC) as one of the Top 50 Female Achievers 2021 under the CEO Catalysts category.

### 2022

Euromoney 2022 Award for Excellence and Market Leaders in the category of Best Bank for CSR – Egypt.  
Hanaa Helmy, the Group CSO, is recognized by the Diligent Modern Governance 100.

### 2023

EFG Holding is recognized as a finalist in the ESG Investing Awards for Best Corporate Sustainability Strategy; Best ESG investment Fund: Infrastructure; and Best ESG investment Fund: Private Equity.

# 5. 10 YEARS OF SUSTAINABILITY REPORTING



## 10 YEARS OF SUSTAINABILITY REPORTING

This year, we are delighted to commemorate a decade of consistent and steady growth in our sustainability disclosures. Sustainability reporting has come a long way since early attempts by businesses to describe their environmental and social impacts. Today, the importance of sustainability reporting cannot be underestimated. A wide range of stakeholders, and investors in particular, now demand comprehensive and reliable information to shape their business strategies in a way that advances both sustainability and financial performance.

Ever since we adopted our social purpose in 2014, we at EFG Holding have been firmly committed to providing our stakeholders with reliable information on our sustainability strategy and on the ability of EFG Holding to generate long-term value for our shareholders and clients as well as for the communities and ecosystems that our success relies on.

Over the years, we have developed a strong suite of sustainability reporting mechanisms that provide a comprehensive overview of our ESG integration efforts, our impact investing initiatives, and our stakeholder engagement activities. In addition to our annual Sustainability Reports, we also submit yearly Communication on Progress (CoP) reports that affirm our continuing commitment to the United Nations Global Compact (UNGC), and since 2018 we have submitted annual Transparency Reports as part of our commitment as signatories of the UN Principles for Responsible Investment (PRI). In 2023, we added to our roster of reports and affirmed our commitment to climate action by releasing our first Carbon Footprint Report base year 2022.



## EFG HOLDING'S SUSTAINABILITY JOURNEY

Ambition and innovation at every step

- 2011**  
EFG Holding is one of the first financial services corporations in the Middle East to join the UNGC.
- 2012**  
EFG Holding submits its first Communication on Progress (CoP) report to the UNGC.
- 2013**  
EFG Holding conducts first sustainability gap analysis.
- 2014**  
EFG Holding adopts public responsibility as a core principle and articulates its social purpose. Issues first Sustainability Report.
- 2015**  
EFG Holding launches the Re-think initiative to embed sustainability in its corporate culture.
- 2016**  
EFG Holding establishes a stand-alone CSR Department.
- 2017**  
EFG Holding releases its ESG Policy with embedded reporting requirements.
- 2018**  
EFG Holding is the first Egyptian financial services corporation to become a signatory of the UNPRI.
- 2019**  
EFG Holding submits first transparency report to the UNPRI.
- 2020**  
EFG Holding develops ESG Frameworks for the Investment Bank.
- 2021**  
EFG Holding endorses the Statement of Support for the Women's Empowerment Principles (WEPs).
- 2022**  
EFG Holding expands ESG Policy to address growing NBFi platform.
- 2023**  
EFG Holding releases its first Carbon Footprint Report. The CSR Department becomes the Corporate Sustainability & Impact Department (CSI).

## A CONVERSATION WITH HANAA HELMY

**Group Chief Sustainability Officer of EFG Holding & CEO of the EFG Foundation for Social Development**



Hanaa Helmy can look back on almost 20 years of sustainability experience both on the corporate strategy side as well as in the field of integrated community development. In this interview, she talks about the importance of understanding the business environment in achieving sustainability goals and about the challenges and success factors for sustainability managers.

### **The world of sustainability is complex and ever-changing; can you share the journey that led to integrating sustainability at EFG Holding?**

It started when I established the EFG Foundation back in 2006. My aim was to instil a sustainable development approach. At the time, this wasn't common; most foundations affiliated with financial institutions were conceived purely as "charity" arms – a way to give back to the community through initiatives such as food aid and medical support. These are all very worthy undertakings and there is a definite need for interventions that fulfil urgent needs such as necessary surgery, for example. As a development practitioner, you're often torn: do you fulfil these urgent and tangible needs, or do you take a longer view and attempt to create a more sustainable, secure future for beneficiaries? Immediate needs can swallow up immense resources, but scarce funds become more effective when deployed as part of a long-term sustainable development strategy. This is why I incorporated sustainable development into the foundation's mission and vision. After more than a year of refining our model, it was approved by the board, and we launched our work in some of the poorest villages in Upper Egypt.

### **How did that lead to introducing sustainability on the business side?**

Sustainability initiatives on the business side started out on a voluntary basis, but political circumstances gave us a helping hand. In 2011, our focus was on our groundbreaking integrated development programme in Beni Suef. As events unfolded, it became impossible for us to travel to Upper Egypt because of the security situation, so we turned our attention to the business side. Our first achievement in early 2011 was becoming active members of the UNGC. We gradually started to conduct internal awareness building activities to introduce the concept of sustainability to the business lines. From 2011 until today, we have deliberately taken small steps, one at a time. We knew we were talking to people swamped with responsibilities. To add tasks is not easy. I think the progress we have made has been thanks to this cautious approach. We didn't just try to implement a one-size-fits-all approach, and we always kept the reputational risk in mind. For a firm like EFG Holding, it is critical that we do as we say; and say what we do. We pride ourselves on transparency and accountability. Just riding the sustainability media wave is not ok; we cannot risk our reputation and just pay lip service; every small step we have taken in our sustainability journey has been real and tangible.

### **In such a large firm, how does sustainability become embedded in the corporate DNA?**

Egypt was the most challenging area. Abroad, there was considerable awareness and media hype that laid the groundwork. Here, talking about the environment didn't resonate on the ground. Remember this was 10 years ago – even before the SDGs were articulated. The questions we constantly heard were, "Why is this important?" "Is this a legal requirement?" "What do I stand to gain?" We had to find a different approach. We had to understand our business and our employees and our regulatory environment. You're walking into these business deals and asking people to embed ESG in their due diligence process while they really don't feel that it's any kind of priority. Our awareness work laid the

groundwork, but the turning point came when foreign development banks and investors began to ask for ESG policies, processes, and risk factors. The voluntary initiatives we had been encouraging suddenly became vital from a business standpoint, and I'm happy to say that our investment professionals were ready and equipped with the tools necessary to embed sustainability across our operation.

### **Over the past 10 years, what would you rate as your most impactful and successful initiative?**

We've had many successes over the years. Becoming the first Egyptian signatories to the UNPRI; putting our sustainability framework in place; issuing our first CFR report this year. I can name many accomplishments, but for me, the fact that I have the buy-in of our investment professionals, this is my most important achievement. Last year, we had a meeting with the business heads and several members of the executive committee to introduce the idea of a baseline study for a carbon footprint report. These were the people who resisted for years, but that day, they said, "we're here today because of what you started ten years ago," and they approved the measure – it was a like a seal of success for me.

### **What is the biggest challenge your company faces when it comes to delivering on your sustainability goals?**

Like all businesses, EFG Holding has a fiduciary responsibility to its shareholders. This means that we have to take a pragmatic approach, otherwise we stand to lose support. The challenge is to incorporate sustainability goals in a way that ensures a win-win result.

### **How important was the establishment of a stand-alone Sustainability Department in achieving your goals?**

It gave us legitimacy within the core company structure and hierarchy. Before that, we were called the CSR Department which carries the connotation of charitable or philanthropic activities. It gave the wrong impression, particularly to employees. Once the department was renamed, and we were tasked with developing corporate policies such as the ESG Policy and the Statement on Climate Change, perceptions shifted, and our colleagues started to realize the significance of our work.

### **You've received numerous awards over your career including being named one of the UNGC's SDG Pioneers. This is an amazing achievement. How did it feel?**

It highlights the importance of the issue and the work we are doing here both as an institution and as a team. I was so proud to present our work at the UN – it was surreal. I really felt I made my parents proud that day.

### **In all these years you have gathered a wealth of knowledge on sustainability. If you were to share advice that may be helpful to sustainability practitioners around the world, what would it be?**

Understand your business, know your audience, don't take anything personally, focus on your goals, and most importantly, take your time.

# 6. OUR APPROACH TO SUSTAINABILITY



## OUR APPROACH TO SUSTAINABILITY

Through the lens of our six Ps, **People, Products, Positioning, Presence, Profitability** and **Public Responsibility**, our goal is to contribute to the realization of the SDGs and deliver best-in-class solutions across the full EFG Holding ecosystem.

The theme of this year's report is **From Indifference to Engagement**, and it celebrates a decade of commitment to sustainability. Today, we are proud to report on initiatives that display both depth and quality along environmental, social and governance (ESG) axes.



Sustainability issues are embedded in our programmes and activities across the board and are now often at the core of new investment in areas such as the energy transition, education, and healthcare. We also pride ourselves on maintaining a comprehensive policy and governance environment to support the sustainability transition. This includes providing relevant, transparent, and useful sustainability-related disclosures and integrating ESG considerations into both the Firm's business model and its risk management processes. We remain at the forefront of our industry in terms of governance and accountability and continue to prioritize engagement with our stakeholders, always seeking effective partnerships that help us **realize more**.

## ACCELERATING TRANSFORMATION THE EFG HOLDING APPROACH

Our focus in 2023 was on three key SDG themes: **SDG 7 – Affordable & Clean Energy**; **SDG 4 – Quality Education**; and **SDG 3 – Good Health & Well-being**. In each of these areas we deploy an approach that encompasses both **Investment & Financing** supported by key initiatives designed to support **SDG 10 – Reduced Inequalities** through financial inclusion and integrated development, all underscored by a solid ESG policy and reporting environment designed to offer synergistic solutions and realize maximum impact.





# 7. EFG HOLDING- 2023 SDG CONTRIBUTION



# EFG HOLDING – 2023 SDG CONTRIBUTION

The Firm seeks to align itself with the UN Sustainable Development Goals (SDGs), consistently keeping track of how its activities and operations can contribute to realizing individual objectives. We submit yearly Communication on Progress (CoP) reports that affirm our continuing commitment to the United Nations Global Compact (UNGC) and annual Transparency Reports as part of our commitment as signatories of the UN Principles of Responsible Investment (PRI). The following table lays out our ESG efforts in 2023 and demonstrates how each one contributes to the SDGs.

**Environmental Initiatives**

- Carbon Footprint Report**
  - 13 CLIMATE ACTION
  - 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
  - 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
  - 7 AFFORDABLE AND CLEAN ENERGY
- Vortex Energy**
  - 13 CLIMATE ACTION
  - 7 AFFORDABLE AND CLEAN ENERGY
  - 9 INDUSTRY INNOVATION AND INFRASTRUCTURE
  - 8 DECENT WORK AND ECONOMIC GROWTH
- aiBank Retail Green Loan Programme**
  - 7 AFFORDABLE AND CLEAN ENERGY
  - 8 DECENT WORK AND ECONOMIC GROWTH
  - 10 REDUCED INEQUALITIES
  - 13 CLIMATE ACTION
- vaU BNPL Programme for Renewable Energy Technology**
  - 7 AFFORDABLE AND CLEAN ENERGY
  - 8 DECENT WORK AND ECONOMIC GROWTH
  - 10 REDUCED INEQUALITIES
  - 13 CLIMATE ACTION
- EFG Hermes One – Energy Transition ETFs**
  - 7 AFFORDABLE AND CLEAN ENERGY
  - 13 CLIMATE ACTION
- Corp-Solutions Leasing & Factoring Services for eco-friendly Projects**
  - 7 AFFORDABLE AND CLEAN ENERGY
  - 8 DECENT WORK AND ECONOMIC GROWTH
  - 9 INDUSTRY INNOVATION AND INFRASTRUCTURE
  - 13 CLIMATE ACTION
- EFG Foundation Clean Energy for Schools Project**
  - 7 AFFORDABLE AND CLEAN ENERGY
  - 8 DECENT WORK AND ECONOMIC GROWTH
  - 9 INDUSTRY INNOVATION AND INFRASTRUCTURE
  - 10 REDUCED INEQUALITIES
  - 11 SUSTAINABLE CITIES AND COMMUNITIES
  - 17 PARTNERSHIPS FOR THE GOALS
  - 13 CLIMATE ACTION
- Green IT**
  - 11 SUSTAINABLE CITIES AND COMMUNITIES
  - 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
  - 13 CLIMATE ACTION
- Firm-wide Resource Management Initiatives**
  - 7 AFFORDABLE AND CLEAN ENERGY
  - 11 SUSTAINABLE CITIES AND COMMUNITIES
  - 13 CLIMATE ACTION
  - 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

**Social Initiatives**

- Education Investment & Financing**
  - The Egypt Education Platform
  - Cosmic Village School Complex
  - Taaleem
  - CIRA Education
  - vaU collaborations with the Egyptian Banking Institute & El Sewedy University of Technology
  - Corp-Solutions Education Portfolio
  - Healthcare Investment & Financing
  - Rx Healthcare Management
  - vaU collaboration with GSK
  - Corp-Solutions Healthcare Portfolio
  - Nurse Training with the Magdi Yacoub Heart Foundation

SDG Contributions for Social Initiatives:

- 4 QUALITY EDUCATION
- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY INNOVATION AND INFRASTRUCTURE
- 10 REDUCED INEQUALITIES
- 17 PARTNERSHIPS FOR THE GOALS
- 3 GOOD HEALTH AND WELLBEING
- 8 DECENT WORK AND ECONOMIC GROWTH
- 10 REDUCED INEQUALITIES
- 17 PARTNERSHIPS FOR THE GOALS

## The Young Scholars Academy



## Nag' El Berkah School



## The Green Footprint



## El Deir Village Infrastructure Upgrading

### SME Financing

- Tanmeyah
- aiBANK SME Programme

### Mortgage Financing & Insurance

- KAF Insurance
- Bedaya
- aiBANK Mortgage Financing Programme
- Qasatli
- EMRC



## EFG Hermes One 'Women in Leadership' ETF



## Employee Talent Development



## Employee Health & Wellbeing



## Youth Outreach



## Financial Literacy



## Governance Initiatives

### ESG Governance, Reporting & Compliance Framework



### Business Continuity & Risk Management



### Information Security



# 8. ENVIRONMENT



## ENVIRONMENT

The 'Environment' section of our sustainability report underscores the critical role of investment, and financing in realizing environmental goals. As we navigate the complexities of a rapidly evolving landscape, our commitment to environmental sustainability remains steadfast. Our approach is multifaceted and combines investment and financing with targeted support activities in several key areas, all underpinned by an enabling policy environment and EFG Holding's stringent approach to governance and transparency.

### TIMELINE OF ENVIRONMENTAL ACHIEVEMENTS

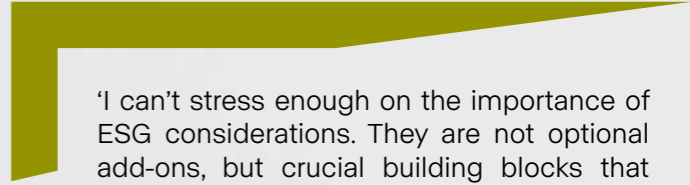


## THE CARBON FOOTPRINT REPORT

In 2019, EFG Holding issued a Statement on Climate Change, and subsequently, climate change considerations were included in the ESG policy. As a clear continuation of these efforts, in 2023, the Firm is proud to report the release of its first Carbon Footprint Report (CFR).

Carbon footprinting is a powerful tool that enables organizations to assess their environmental impact and develop strategies to reduce their carbon emissions. By identifying areas of high impact and implementing effective measures to reduce carbon emissions, organizations can not only improve their environmental performance, but also drive cost savings, enhance brand reputation, and increase competitive edge.


The CFR reporting period is for the year 2022, considered the base year and presents a summary of EFG Holding's climate initiatives and efforts in addition to surveying and calculating the Firm's carbon footprint. Although this is considered the first attempt to quantify and assess the Greenhouse gas (GHG) emissions generating from the organization's operations, EFG Holding tried to cover as many scopes and emission sources as possible at this early stage. The report also presents the methodology followed in the identification, data collection, and analysis of GHG emissions as well as any limitations or assumptions and identifies the way forward and recommended actions.





'I can't stress enough on the importance of ESG considerations. They are not optional add-ons, but crucial building blocks that ensure our operations are sustainable and beneficial, not just to us, but to society and our country.'

**Mohamed El Wakeel**  
Group COO, EFG Holding

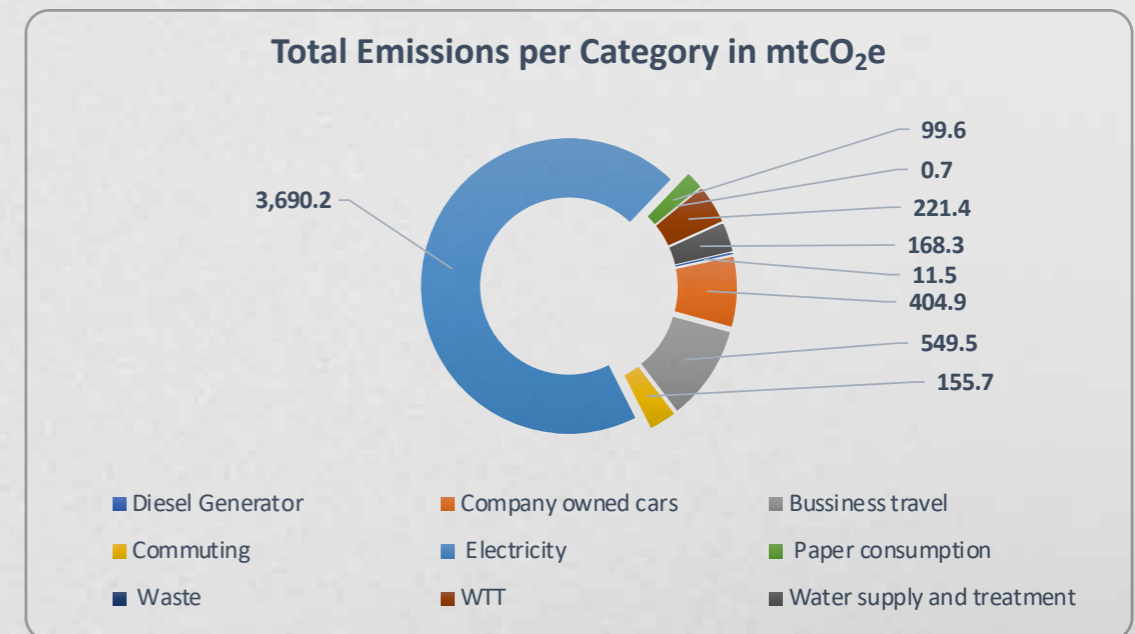
### EFG HOLDING'S CLIMATE-RELATED ACTIONS & PIPELINE INITIATIVES

Category	Climate-Related Actions	Pipeline Initiatives
<b>GOVERNANCE, STRATEGY, RISK MANAGEMENT, AND METRICS &amp; TARGETS</b> 	<ul style="list-style-type: none"> <li>Climate Change Statement issued to state the organization's commitments and identify key areas of engagement.</li> <li>Publication of the Carbon Footprint Report.</li> </ul>	<ul style="list-style-type: none"> <li>Integrate the identification, assessment, and management of climate change risks and opportunities across our governance, strategy, and risk management procedures in accordance with the TCFD framework and the IFRS Foundation's International Sustainability Standards.</li> <li>Continue to report on our carbon footprint and monitor our progress annually to improve our GHG emissions performance.</li> <li>Measure all value chain emissions (scope3) including, where possible, financed emissions.</li> </ul>

Category	Climate-Related Actions	Pipeline Initiatives
<p><b>CLIMATE CHANGE MITIGATION, CLIMATE SMART TECHNOLOGY, OPERATIONAL CFP REDUCTION, AND PARTNERSHIPS</b></p> 	<ul style="list-style-type: none"> <li>Green business model designed to ensure both maximum resource efficiency and optimal business returns across our operation.</li> <li>E-waste recycling initiatives (Firm-wide).</li> <li>Paper waste minimization initiatives (Firm-wide).</li> <li>Energy-efficiency initiatives (Firm-wide).</li> <li>Gradual migration to cloud computing and virtual services wherever possible to reduce our carbon footprint.</li> <li>In-house carpooling system.</li> <li>Solar panel installation at headquarters.</li> <li>Investment in clean energy opportunities through Vortex Energy, the flagship energy transition investment platform,</li> <li>Impactful partnerships to advance investment in renewable energy including a partnership agreement with the Ministry of Education and Technical Education to transition 25 schools in Luxor and Aswan to clean solar energy.</li> </ul>	<ul style="list-style-type: none"> <li>Expedite the gradual migration to cloud computing and virtual services.</li> <li>Conduct an energy audit to assess current energy usage performance and, if feasible, implement and maintain an energy management system.</li> <li>Encourage the use of sustainable transportation options.</li> </ul>
<p><b>SUPPORTING FINANCIAL INCLUSION TO CREATE CLIMATE RESILIENCE</b></p> 	<ul style="list-style-type: none"> <li>SME financing through Tanmeyah and aiBANK.</li> <li>Support for sectors such as SMEs, education, health, waste management, sustainable infrastructure, renewable energy, sustainable tourism, etc., through Corp-Solutions leasing and factoring services.</li> <li>Financing for retail renewable energy consumers through vaU and aiBANK.</li> <li>Exchange-traded funds (ETFs) with themes that support impact investment through EFG Hermes One.</li> <li>Integrated community development initiatives through the EFG Foundation.</li> </ul>	

SCOPE	Emission Component	Emissions Reporting Worksheet
<b>SCOPE 1</b>	Direct Emissions from sources that are owned or controlled by the organization.	<ul style="list-style-type: none"> <li>Company owned vehicles</li> <li>Diesel consumption</li> </ul>
<b>SCOPE 2</b>	Indirect Emissions from sources with the consumption of purchased electricity, heat or steam from a source that is consumed by the organization.	<ul style="list-style-type: none"> <li>Purchased electricity</li> </ul>
<b>SCOPE 3</b>	Partial indirect Emissions from other activities that are not controlled by the organization. (Not included in Scope 1 & 2).	<ul style="list-style-type: none"> <li>Company-owned vehicles (WTT<sup>1</sup>)</li> <li>Diesel (WTT)</li> <li>Business travel &amp; WTT</li> <li>Air Travel &amp; WTT</li> <li>Commuting &amp; WTT</li> <li>Waste management</li> <li>Water usage and wastewater treatment</li> </ul>

The report covers scope 1,2, and partially scope 3 emissions resulting from the operations of EFG Holding’s headquarters building in Egypt as well as the operations of EFG Holding’s subsidiary Tanmeyah Microenterprise Services.



The carbon footprint assessment was conducted based on several international and widely applied standards, protocols, and guidelines specially developed for accounting and reporting and was released in accordance with requirements of the Egyptian Financial Regulatory Authority (FRA), which recently mandated ESG reporting for publicly listed organizations and required climate reporting according to the Task Force on Climate Related Financial Disclosure (TCFD) for large Non-Banking Financial Institutions.

1. The GHG calculations worksheet was prepared by Envision Consulting offering guidance on identifying and completing the raw data required for GHG emissions calculations. The data was collected by EFG Holding’s Sustainability team.  
 2. Well-to-tank (WTT) conversion factors for Scope 3 emissions associated with extraction, refining and transportation of the raw fuel sources to an organization’s site (or asset), prior to combustion.

Based on the CFR findings, a series of recommendations was developed in addition to initiatives and activities already in the pipeline in each of the three categories. Recommendations are varied across the three categories and include assessments, monitoring, and benchmarking activities to strengthen the internal policy environment and identify potential bottlenecks and challenges. They also include the development of decarbonization policies and procedures and engagement with subsidiaries such as Corp-Solutions and valU to help identify initiatives to deepen their portfolios in areas related to climate resilience.

## INVESTMENT

The target of the preferred maximum global temperature rise of 1.5°C that was agreed by global leaders under the Paris Agreement of 2015, is ever more critical as we are coming closer to its first milestone of 2030. To limit the rise of global temperature to less than 1.5°C, we must reduce greenhouse gas (“GHG”) emissions by at least 80% before 2050, which requires the reduction of GHG emissions by at least 50% before 2030.

Besides the challenge of these targets, further headwinds have developed in the past few years including geopolitical confrontations in both the Middle East and Europe that threaten to severely destabilize the energy markets. This comes on top of the precarious macroeconomic environment in the aftermath of the pandemic featuring persistent inflation and historically high interest rates that are unfavourable to the deployment of funds needed for the energy transition necessary to meet climate goals.

On the flip side, however, the energy transition provides extensive investment opportunities buoyed by advances on both energy supply (solar photovoltaic (PV) cells and wind turbine manufacturers) and demand (electrified transport, semiconductors, energy storage, etc.) sides. This makes accelerating the energy transition attractive for investors as well as appealing in terms of fulfilling climate goals.

EFG Holding is committed to accelerating the transition to clean energy throughout our business, operational, and risk management activities and takes a cohesive approach that aims to achieve tangible impact.

‘Embracing ESG integration is not merely a trend but a necessity for businesses. It signifies alignment with a sustainable future while promoting profitability and driving tangible value for stakeholders.’

**Ahmad Moussa**  
Sustainability Director, EFG Holding

## VORTEX ENERGY

Vortex Energy is a distinguished energy transition investment platform and a core pillar of EFG Hermes Private Equity. Formally established in 2014, Vortex Energy has a global mandate to invest within the energy transition spectrum on behalf of sovereign, institutional, and strategic investors.

18 Investment Professionals	Abu Dhabi	Cairo	1 Vortex Energy
	Madrid	London	

Beyond the sector focus of its investment mandate, Vortex Energy maintains a **firm commitment to sustainable and responsible investing**. In partnership with EFG Hermes, Vortex Energy is proud that all its business practices are formulated, evaluated, and executed under a **robust sustainability framework**. Its **ESG Policy** encapsulates the 10 Principles of the United Nations Global Compact (UNGC).

Vortex Energy is at the forefront of the global efforts of transitioning to clean energy generation and the electrification of transport. The public and private sectors have shown tremendous determination to come together to support the energy transition to sustainable alternatives at a faster pace than ever before. Large-scale investment to transform the global energy sector and transition to a low-carbon society is crucial both for security of supply and the climate. **For Vortex Energy, this is a call to action and an opportunity for continued**

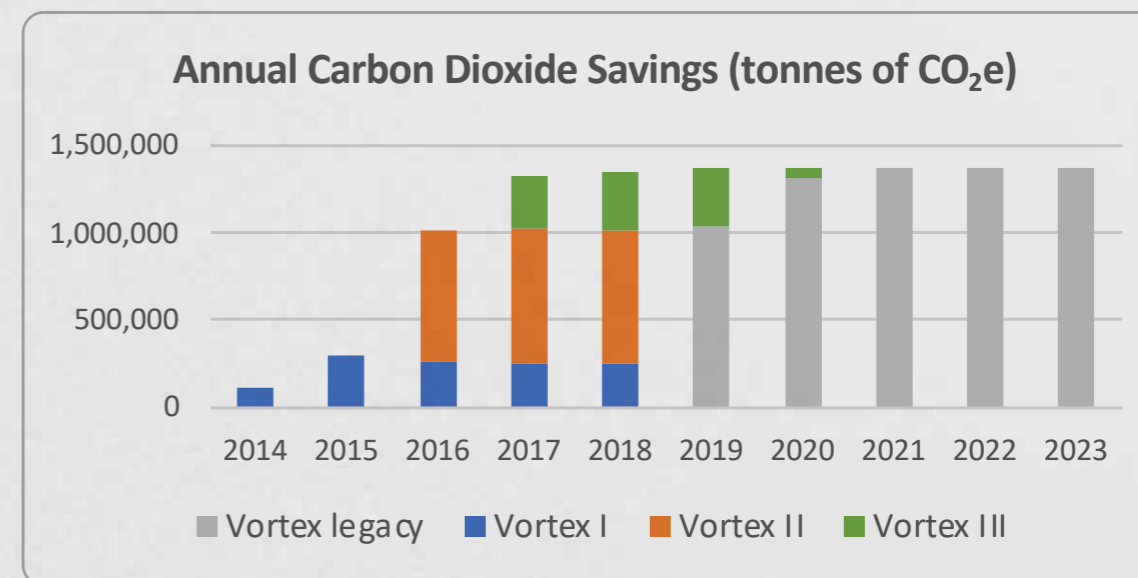


**leadership.** Vortex Energy continues to honour its responsibilities as a global citizen, and its platform demonstrates that its present commitment is unwavering. Importantly, Vortex Energy’s integrated investment platform supports the construction of sustainable infrastructure and the advancement of efficient technologies required to secure our energy future. **In 2023, Vortex was shortlisted for two IJ Investor London Awards: Impact Investor of the Year and Institutional Investor of the year.**

## VORTEX ENERGY LEGACY (I, II AND III)

Since inception, Vortex Energy has deployed, managed, and harvested capital across three fund vehicles, focusing on efficient portfolio management and maximizing its environmental and social impact.

Since inception and up to 2020, Vortex Energy acquired operational renewable energy generation plants (wind and solar) in continental Europe. Vortex Energy accumulated 822MW of net capacity attributable to its stakes on individual assets across Spain, Portugal, Belgium, France and the United Kingdom. Over their respective holding periods the assets operation was optimized for maximum clean energy generation and were aligned to the latest best industry practices to prolong their expected lifetimes. **Vortex Energy delivered 4.6 terawatt hours (“TWh”) of clean energy, which displaced approximately 4.5Mn metric tonnes of carbon dioxide equivalent (“MTCO<sub>2</sub>e”).**



The legacy assets seeded by Vortex Energy continue to operate today and for the next few decades will continue to save 1.4Mn metric tonnes of carbon dioxide equivalent (“MTCO<sub>2</sub>e”) per year.

## VORTEX ENERGY TODAY (IV)

In July 2021, Vortex Energy launched its **fourth investment vehicle and flagship fund “Vortex IV”**, that reached first close shortly after, anchored by EFG Hermes, Abu Dhabi sovereign institutional investors and family offices among others. For Vortex Energy, this milestone marked the formalization of a new global investment strategy and alignment with its investors about **the importance of the energy transition currently underway**.

Leveraging its investment acumen and agile perspectives, Vortex Energy will provide investors with risk-managed exposures to a balanced portfolio of energy transition assets utilizing innovative, proven and competitive technologies across the entire asset lifecycle and target double-digit investment returns with a yield component.

These verticals include generation (utility scale solar PV, on/off-shore wind, hydropower, distributed generation), storage (BESS, pumped hydro), EV charging facilities, as well as supply- and demand-side energy services. The geographical focus is developed and developing European countries, North America, Latin America and Australia.

In 2023, Vortex launched its first SFDR Article 8+ fund vehicle in accordance with the EU Sustainable Finance Disclosure Regulations and EU Taxonomy, domiciled in Luxemburg and ready to onboard the next round of our investors.

### VORTEX IV & IGNIS: A SYNERGETIC PARTNERSHIP

In October 2021, Vortex IV executed its first investment by entering into a definitive agreement with Ignis Energy Holdings (“Ignis”), the parent company of Ignis Group, a **Spanish independent integrated renewable player**. Through the transaction, Vortex IV injected EUR 300Mn into Ignis via a series of capital injections to fund its **high growth plans for a >20 GW platform** and transform it into a fully integrated renewable IPP in Spain and other geographies. To date Ignis supported by Vortex Energy has secured permits for 4.2GW of Solar PV projects, out of which 400MW are under construction and 150MW are in operation in Spain.



Following the partnership with Ignis, **Vortex IV will deploy critical capital** across the globe **to spur the clean energy transition**. These investments will benefit from an accelerating shift towards clean energy, reinforced by strong market fundamentals and supportive regulatory frameworks, in a sustainable and growing sector that is destined to continue attracting new capital inflows over the next two decades.

### VORTEX IV & EO CHARGING: AN EVOLUTIONARY PARTNERSHIP

In 2023Q1, Vortex Energy participated in an approximately USD 80 Mn equity investment in EO Charging, a British electric vehicle (EV) charging solutions company in cooperation with Zouk Capital, a private equity and infrastructure fund manager.

The partnership will support EO’s path towards global leadership in EV fleet charging as zero-emission transportation adoption accelerates. This investment exemplifies Vortex Energy’s commitment to supporting the energy transition through innovative investments. EO is focused on smart charging solutions for electric car, van, truck, and bus fleets and plans to further expand its fleet charging solutions business in North America and across Europe, whilst maintaining its position as leader in the fast-developing UK market. To date, EO Charging has disbursed more than 80,000 chargers to consumers and businesses worldwide, including Amazon, DHL, Uber, and Tesco.



Following the partnership with EO Charging, **Vortex IV will deploy capital to accelerate the electrification of transport**. The investment will benefit from the accelerating shift towards clean mobility, reinforced by strong market fundamentals and supportive regulatory frameworks, in a sustainable and growing sector that is destined to continue attracting new capital inflows over the next decades.

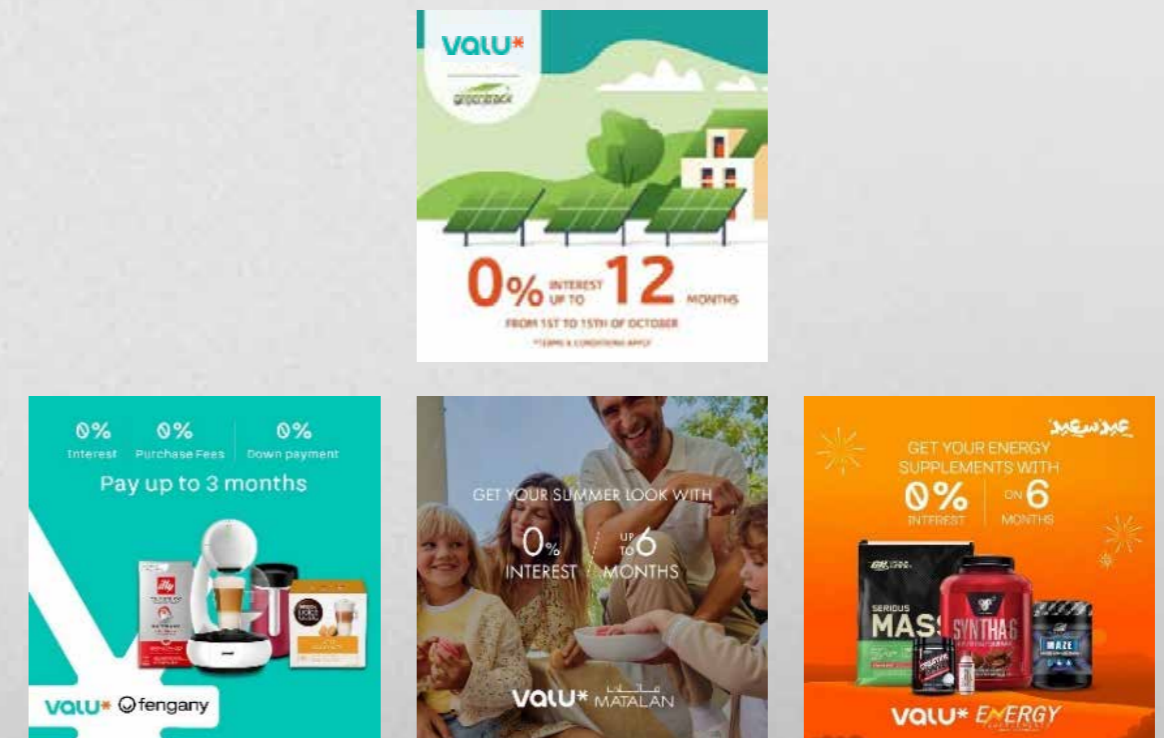
### AIBANK – THE RETAIL GREEN LOAN PROGRAMME

aiBANK has developed campaigns aimed at empowering homeowners to embrace solar energy. Through this programme, the bank provides financing of up to EGP 2Mn with flexible terms extending up to 7 years and competitive interest rates without any administrative fees. This tailored financing solution is available to both individuals and business owners seeking to install solar panels or other renewable energy systems, thus ensuring that clean energy becomes accessible to all. aiBANK has also launched a campaign that enables its clients to secure financing of up to EGP 4 million to purchase eco-friendly electric or hybrid cars.



### VALU – BNPL FOR RENEWABLE ENERGY

valu has partnered with several solar energy suppliers to offer their clients convenient Buy Now, Pay Later (BNPL) solutions for purchasing and maintaining solar panels. This collaboration aims to make it easier for Egyptians to embrace green energy by providing flexible payment options. By bringing together financial flexibility and sustainable solutions, valu empowers more people to adopt solar energy solutions, fostering a greener and more sustainable future for Egypt.



## EFG HERMES ONE – ENCOURAGING INVESTMENT IN THE ENERGY TRANSITION

EFG Hermes ONE is a state-of-the-art trading platform rolled out by the Group in 2021 in two of our key markets, Egypt and Kenya. It provides users with one-click access to multiple MENA markets as well as global exchanges, allowing users to trade multiple asset classes across some of the world's most exciting markets anytime, anywhere<sup>2</sup>. The app also includes intelligence as a real-time service by EFG Hermes Research, incorporating a full suite of research products that leverage the global-award-winning insights of an international team.



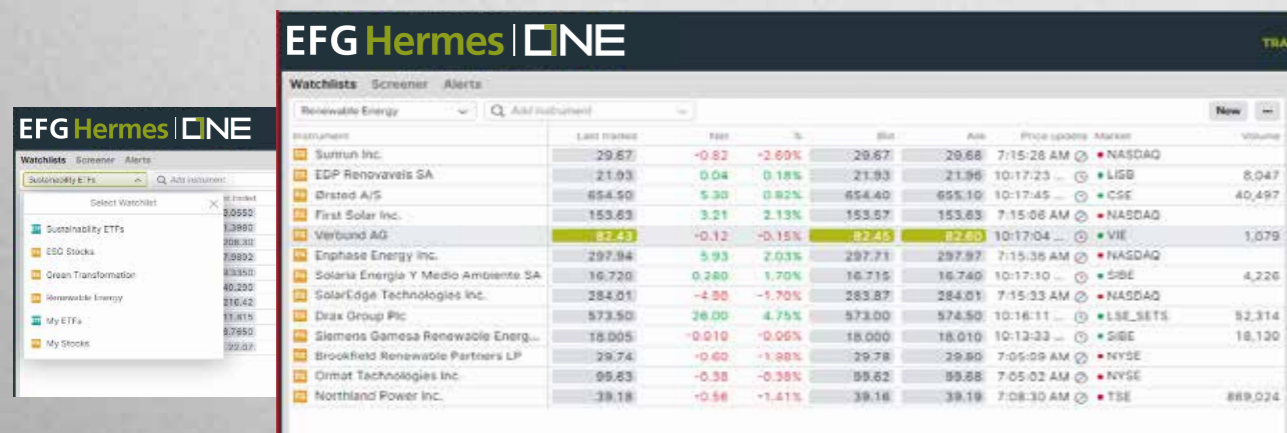
As part of EFG Holding's belief in the value of investing in the energy transition, EFG Hermes ONE promotes several exchange-traded funds (ETFs) with themes that support impact investment in green energy-related companies.

For many investors, ESG investment is a vague concept; however, investing in energy transition or infrastructure projects is concrete with tangible results. ETFs such as those offered through EFG Hermes ONE provide attractive investment opportunities that investors can relate to their traditional investments. They cover a wide scope of sectors central to the transition, including renewable energy, energy storage, electrified transport and buildings, clean industry, clean shipping and power grids.

### EFG HERMES ONE OFFERS 3 ENERGY TRANSITION-THEMED ETFs



It should be noted, however, that while these themes have been successful for investors, they don't come without risk. This trend has no lack of staying power or signs of vanishing political capital; instead, the risks come from the largely high equity valuations, which have been steep when compared to the global equity market.



<sup>2</sup> Terms and conditions apply. The services, markets and asset classes available to EFG Hermes clients through EFG Hermes One may vary by market and / or country in accordance with local market regulations. Other terms and conditions may govern trading conditions, market orders, the remittance of dividend payments, custody and taxation, and corporate actions (including, but not limited to, the treatment of bonus shares, capital gain distributions, cash dividends, rights issues) among others. Terms and conditions regulating the use of EFG Hermes One vary by market.

## CORP-SOLUTIONS

Corp-Solutions is one of EFG Holding's flagship NBF1 subsidiaries. It provides leasing and factoring services that can be combined in customized packages designed to provide optimal financing. It provides financing for innovative eco-friendly initiatives in several sectors:

### Tourism:

The government agenda includes sustainable environmental dimensions in tourism sector planning in Egypt. In 2023, EFG Corp-Solutions allocated EGP 830Mn in financing through its leasing arm to top-notch clients in the tourism industry who promote eco-tourism.

### Real Estate:

Among the unconventional lending for Real Estate Developers, EFG Corp-Solutions Leasing allocated EGP 220Mn to finance a mixed-use real estate developer that promotes and follows eco-friendly principles through the application of green renewable energy embedded in solar panels in one of its flagship Cairo developments.

### Trading Companies:

Egypt is a prime location for renewable energy projects due to its weather, high wind speeds, and abundance of land. As such, the government is targeting to generate 42% of the total electricity from renewable resources by 2035 with most of this capacity expected to be delivered by the private sector. Corp-Solutions Factoring provides financing for a client who imports and distributes solar plant equipment with a specialization in pumping solutions tailored for the agricultural sector. Furthermore, the client is investing in manufacturing solar panel frames, along with providing on-ground engineers as a complimentary service for the installation of its products. The client had factored invoices of EGP 9.6Mn in financial year 2023, along with total factored invoices of EGP 31.5Mn since company inception.

**EFG Corp-Solutions**

**Ecofriendly Tourism**  
EGP 830Mn

**Ecofriendly Real Estate**  
**Development**  
EGP 220Mn

**Renewable Energy Equipment**  
EGP 9.6Mn\*

\* all figures as of End Dec2023

## CLEAN ENERGY FOR SCHOOLS

### THE DEVELOPMENT SIDE OF TRANSITION INVESTING

The EFG Foundation for Social Development has been committed to the integrated sustainable development (ISD) of underprivileged rural areas in Egypt since 2006. Time and again, it has become apparent that building resilient communities is unachievable without an integrated approach to the problems facing society today. Investing in integrated development is the most effective means of maximizing both impact and return on investment of scarce development funds. Over the years, the Foundation has focused on areas such as residential rehabilitation and water and sewerage projects. Recently, however, the Foundation has concentrated its efforts towards economic empowerment with the aim of encouraging self-sufficiency and independence within marginalized communities. Access to affordable, clean energy in rural



'EFG Foundation programs empower Egyptians, strengthen communities, and promote sustainable practices. In a developing country like Egypt, witnessing the direct impact of this work on both people and the planet contributes significantly to a better future. Cross-sector collaboration is essential to achieving these goals, and the Foundation's mission to champion sustainable development makes this a critical effort.'

**Nour Taha**  
Project Officer, EFG Foundation



areas is a concern of paramount importance, and one that has significant sustainable development impacts.

Part of the Foundation's flagship Naga' El Fawal and El Deir Village Project was the redesign of the community centre and the establishment of a preschool in the village. Both were extremely successful from a development point of view and added significantly to the quality of life in the area, however, both were connected to the government electricity grid. When energy costs skyrocketed, the sustainability of the project was jeopardized. The Foundation team proposed a solution: installing a solar PV grid on the building roof, thus providing reliable access to low-cost, clean energy. This was not only an environmental leap into the future for the rural community but an economic one as well: excess power from the solar energy unit is sold into the grid to generate much-needed income.

The success of this initiative led the Foundation to explore scaling up the project. In 2022, the Foundation signed a partnership agreement with the Ministry of Education and Technical Education represented by the General Authority for Educational Buildings to transition over 25 schools and government buildings in Luxor and Aswan to clean solar energy. The partnership comes as part of government's efforts to drive social participation to achieve development goals and overcome national challenges. It also aims to secure sustainable education in Upper Egypt through renewable energy, in line with the national strategy to increase reliance on clean energy, and reflects the Foundation's holistic approach to tackling economic, social, and environmental challenges.



Access to stable, low-cost electricity will have significant impact on both educational and living standards. Our previous projects have demonstrated the transformative social value of infrastructure upgrading on economically depressed rural communities. Access to up-to-date services, particularly in education, revitalizes communities, instills a sense of pride, and provides economic opportunities. The switch to renewable energy is also projected to realize significant cost savings, freeing up scarce public funds for redeployment in improved community services. Each installed solar PV grid is also expected to generate employment opportunities relating to operation and maintenance and to raise general awareness of the value of clean energy and environmental conservation.

The project demonstrates how partnerships between the private sector, the government, and civil society can result in innovative, sustainable development initiatives. The private sector is by nature dynamic and capable of responding decisively to changing market or client needs. By applying private sector investment principles to the process, the Foundation has demonstrated the value of transition investing with the development context.

**25 buildings (to date)**

**EGP 7.9 Mn total investment**



**Electricity generation**

**700kWh/year**



**Emissions reduction**

**250 tons CO<sub>2</sub>/year**

## Sustainability Spotlight



### The Shagrha Initiative

As part of its commitment to realizing climate resilience, the EFG Foundation has encouraged the adoption of an **'environmentally sustainable curriculum'** at the Young Scholars Academy, targeting both students and teachers.

The Young Scholars academy is a Montessori preschool established as part of the EFG Foundation's integrated development work in Upper Egypt. A recent initiative involves a strategic partnership with the Egyptian social enterprise **Shagrha**, which specializes in sustainable development services with a focus on combatting climate change. This collaborative effort incorporates a tailored programme addressing various facets of environmental sustainability. Activities include the cultivation of homegrown, nutritious produce using recyclables; the creation of organic compost; and the promotion of awareness regarding the benefits of reducing carbon footprints and actively combating climate change. This programme is designed to engage both students and teachers in sustainable practices, fostering a culture of environmental responsibility within the academy.



## GREEN INFORMATION TECHNOLOGY

Green Information Technology (IT) represents the tech industry's proactive response to global calls for sustainability. From energy-efficient hardware to responsible e-waste management, the range of Green IT initiatives is both vast and varied, emphasizing the industry's comprehensive approach to eco-friendliness.



The EFG Holding Development Team has adopted the Principles of Sustainable Software Engineering throughout its operation, from software development and architecture to hardware selection and data centre design. They are a core set of competencies that define sustainable software applications and ensure that sustainability principles are built into all IT development processes.

### Sustainable Software Engineering at EFG Holding

#### Carbon and Electricity

Build applications that are carbon-efficient by continuously improving and enhancing system performance and processes to minimize energy consumption and add the same value for company users but emit less carbon

#### Carbon Intensity

Automatically manage service up-time to run during day hours where utilized energy has less carbon intensity

#### Embodied Carbon

Extend the lifespan of hardware by using out-of-support machines in development and testing environments to minimize carbon waste

#### Energy Proportionality

Build applications that optimize computer resources to improve the relationship between power consumed and rate of work done

Our Green IT solutions include a range of initiatives in 4 key areas with a focus on future-proofing our operation by ensuring scalability and long-term sustainability:



#### Energy Management

- 95% of computers at headquarters have been replaced with new, more energy efficient ones
- 10% reduction in data centre power consumption
- Optimizing data centre to reduce power consumption, minimize carbon emissions, and reduce cooling needs



#### Cloud- computing

- Migrating servers to the cloud and modernizing IT applications
- Shifting 100% of users to mail over cloud-based solutions
- Hosting subsidiary operations such as CorpSolutions and Vortex websites on the cloud
- New "IT Access" portal for digital communication between departments



#### Telecommuting & remote work

- Promoting use of communication solutions such as WebEx and Zoom to eliminate the need for travel and reduce associated emissions.
- Virtual Annual General Meeting (AGM) and town hall meeting



#### E-waste management

- Shifting to softphone technology to reduce power consumption & material waste
- Ongoing efforts to recycle outdated IT equipment in cooperation with RecycloBekia

As part of its commitment to digital transformation, in 2023, EFG Holding launched a state-of-the-art Direct Market Access (DMA) platform on Azure, Microsoft's cloud computing platform offering bespoke access, management, and development of technological services, to support the Firm's brokerage division in ensuring swift trade executions. The partnership with Microsoft provides EFG Holding with a hyperscale, seamless, and modern digital platform that future-proofs our business as we continue to manage unprecedented risks and expand our operational footprint."



'We firmly believe digital transformation is no longer just a competitive edge, but critical for business resilience in the rapidly evolving and increasingly sophisticated financial services market.'

**Mohamed Sayed Fathy**  
CIO, EFG Holding

Cloud-based in Dubai and Western Europe, the all-new DMA platform enables the Firm's clients to capitalize on compelling trading prospects swiftly and seamlessly by streamlining the process of taking bids. The platform is 160 times faster than the company's legacy DMA system and aims to accelerate the modernization of EFG Hermes' information technology (IT) infrastructure and brokerage capacities. Users will also enjoy access to algorithmic trading, an advanced trading strategy that ensures even faster speed and efficiency. Additionally, users will now be able to execute orders for regional exchanges at a 70-80% increase in performance and less network latency.

### RESOURCE MANAGEMENT

To effectively reduce environmental impact, EFG Holding has implemented a resource conservation and management approach that promotes reduction, reuse, and recycling whenever possible.

#### 1 Reduce

- Installation of solar panels at Headquarters' rooftop with a capacity of 24KW, equivalent to 2% of current electric consumption.
- Digital distribution of annual and sustainability reports to reduce paper consumption.
- Encouraging the transition to a paperless office by avoiding unnecessary printing of emails and other documents.

#### 2 Recycle

- Establishment of collection points for paper recycling at offices and conferences.
- Commitment to the Smart Village Community (SVC) waste segregation protocol for organic waste, paper products, plastics, and other recyclable material.

#### 3 Reuse

- Selection of eco-friendly giveaways such as reusable and sustainable metal cutlery as Father's Day gift or bags crafted from recycled materials in partnership with Upfuse, a local sustainability-focused brand.
- Distribution of reusable metal flasks to staff and clients on multiple occasions, aiming to reduce the usage of disposable plastic bottles and paper cups.

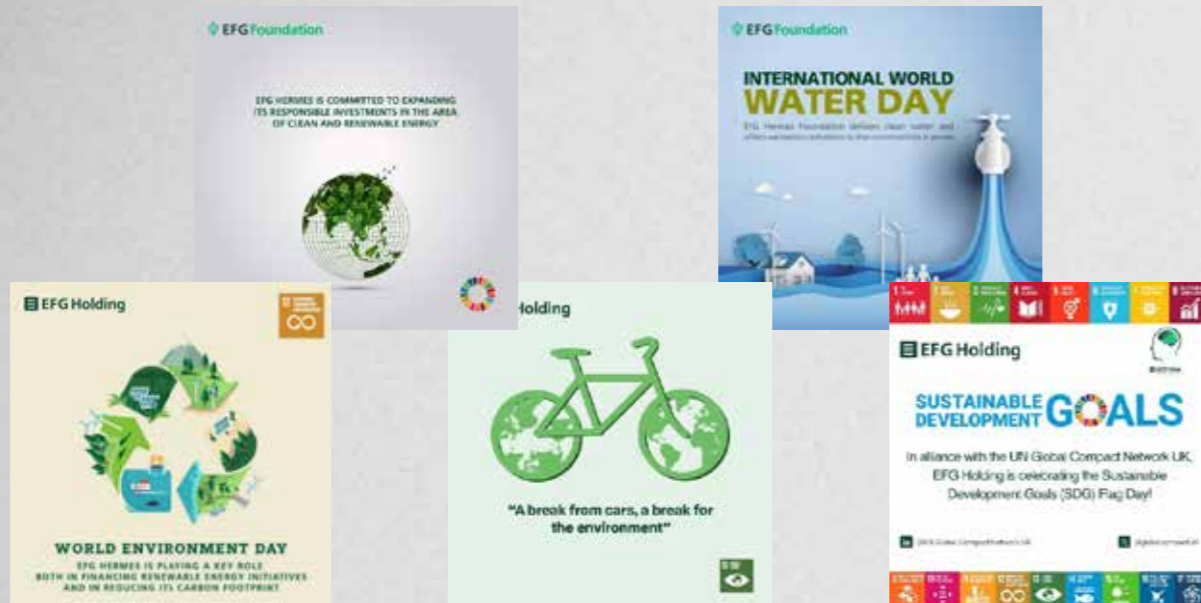


## ENGAGEMENT

Engaging with stakeholders on environmental matters is vital to foster collaboration, **amplify awareness**, and drive **collective action**. At EFG Holding, we create awareness and foster dialogue with our stakeholders through a variety of channels including media messaging, participation in industry events, and direct engagement with our investors and shareholders.

### MEDIA MESSAGING

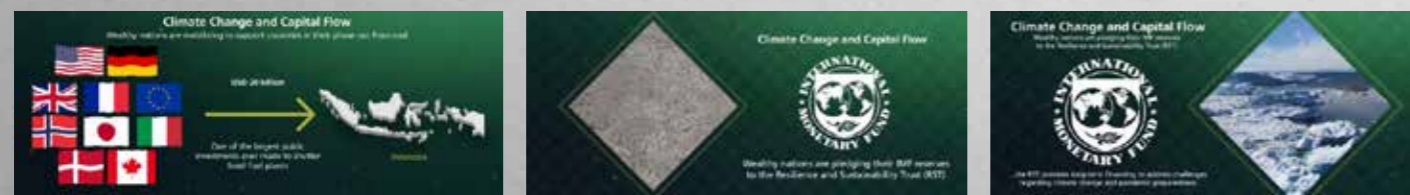
Media messaging is a potent tool for environmental awareness. Throughout the year, we create and disseminate visuals, videos, and infographics on a variety of relevant and timely topics to ignite curiosity, educate, and inspire positive change.



## INVESTORS & SHAREHOLDERS

This year was an exciting year for EFG Holding in terms of engagement with our investors and shareholders. In addition to our virtual Annual General Meeting (AGM) and our landmark One on One and conference, we held the EFG Hermes Saudi Forum in London 2023, which centred around the theme of ‘Looking for Sustainable Growth’ and was dedicated to the Saudi market, further underscoring the Firm’s unwavering commitment to helping global investors discover and tap into the abundant opportunities in the Kingdom’s thriving economy. The forum hosted over 50 leading Saudi companies across various sectors as well as 375 guests from around the world, with over 200 institutional investors and fund managers from over 120 global investment firms conducting over 2,300 meetings.

Our 17<sup>th</sup> annual One on One conference took place in March 2023 and was as successful as ever. This year, the themes were clearly skewed in favour of sustainability with inflation and geopolitical factors forming two of the main issues discussed. Climate change was the third key theme, particularly in terms of capital flow to encourage actions such as divestment from coal and to finance the Resilience and Sustainability Trust created to protect those most vulnerable to the effects of climate change.



## PEER & INDUSTRY EVENTS

As always, in 2023, we frequently collaborated with colleagues and peers to foster conversations on pivotal topics like climate change, economic empowerment, and sustainable finance. This collaboration generates momentum that surpasses our individual capacities, opening doors to broader prospects and benefits. It also connects us with cutting-edge innovations, expands our reach, and enables us to champion sustainable business models.



At COP28 Business & Philanthropy Climate Forum, EFG Holding’s Group CEO, Karim Awad, joined the “Invest in Africa: Green Energy Access, Digital Economy & the Infrastructure Finance Gap” panel discussion, where he underscored the transformative impact of Africa’s youth on financial inclusion. Citing examples like Mpesa in Kenya and Opay in Nigeria, he highlighted their role in becoming continental leaders. Furthermore, he spotlighted the commendable efforts of several companies in Egypt that have championed consumer and microfinance lending, reaching unbanked populations, reducing

unemployment, and maintaining remarkably low delinquency rates. His vision sees technology as the catalyst for broader financial inclusion across the continent in the years ahead.

Vortex Energy’s CEO, Karim Moussa also joined a panel of distinguished speakers at the AIM Summit 2023, the Leading Alternative Investment Management Summit’s Dubai Edition. The panellists discussed the economic and investment opportunities in the energy transition field. The discussion focused on various ways in which businesses, investors, and economies can benefit from the shift towards cleaner and more sustainable energy sources and technologies.



# 9. SOCIAL



## SOCIAL

At EFG Holding, we recognize the significance of offering foundational elements that empower communities and businesses to withstand the shocks and challenges that face our world today. Accordingly, we take a holistic approach with initiatives across a number of key sectors such as education and healthcare. In tandem, we continue to invest in financial inclusion programmes as a key tool in the development of resilience. It ensures that marginalized groups have access to financial services, enabling them to manage economic shocks and build assets. Similarly, our integrated community development projects address social and economic issues holistically by improving living standards, providing access to services, and creating the environment necessary for people to take advantage of economic opportunities through capacity development. Together, these initiatives are designed to empower individuals and communities to invest in their futures, withstand crises, and contribute to a more resilient and sustainable world.

**Our Social Purpose**  
 We are committed to leveraging our financial expertise and capitalizing on our human talent to create sustainable value for our stakeholders and the communities we serve.

### TIMELINE OF SOCIAL ACHIEVEMENTS

<p>2014</p> <p>2015</p> <p>2016</p> <p>2017</p> <p>2018</p> <p>2019</p> <p>2020</p> <p>2021</p> <p>2022</p> <p>2023</p>	<p>EFG Holding adopts 'Public Responsibility' as one of the Firm's strategic guiding principles and articulates its 'Social Purpose'.</p> <p>EFG Holding launches a fitness programme for employees.</p> <p>The EFG Foundation launches El Makhzan integrated development Project; participates in the nationwide HCV eradication programme; EFG Holding conducts financial literacy sessions at 5 universities.</p> <p>EFG Holding launches the Rx Healthcare Management Fund</p> <p>The EFG Foundation launches the Naga' El Fawal and El Deir Village Integrated Development Project.</p> <p>EFG Holding launches the first Development Needs Assessment (DNA) Open House.</p> <p>The EFG Foundation establishes the Young Scholars Academy, a Montessori pre-school in El Deir Village.</p> <p>Tanmeyah and PayTabs Egypt provide SME support to offset COVID19 impact; EFG Holding establishes EFG EV Fintech to promote financial inclusion.</p> <p>EFG Holding establishes a discretionary health fund for employees; ensures diversity and inclusion in its public messaging.</p> <p>The EFG Foundation wins the Luxor stage of the national 'Smart Green Projects' for its Green Footprint Project.</p>	<p>EFG Holding commits to upholding UNGC principles; enhances career and development opportunities; develops financial literacy tutorial videos and a training curriculum on capital markets for students; launches the Rethink initiative to increase internal awareness on sustainability; the EFG Foundation develops and implements integrated development projects.</p> <p>EFG Holding launches the Rx Healthcare Management Fund</p> <p>The EFG Foundation launches the Young Scholars Academy, a Montessori pre-school in El Deir Village.</p>
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## EDUCATION & HEALTHCARE

As we navigate through a rapidly evolving landscape, we firmly believe that investing in education is a strategic imperative that will drive not only economic development but also societal progress. EFG Holding champions investment in educational services and infrastructure both in Egypt and across its footprint through a series of innovative projects and deals that are both lucrative and necessary in terms of expanding quality education offerings in the region.

Investment in the pharmaceutical and healthcare industries is critical if SDG 3 – Ensuring healthy lives and promoting wellbeing for all at all ages – is to be realized. After the experience of the COVID-19 pandemic, anticipating needs that may not always be clear today has become of paramount importance. This can only be achieved through significant investment in healthcare infrastructure, research, and manufacturing. As with education, EFG Holding prioritizes innovative investments in healthcare infrastructure across its footprint and works to increase the accessibility of healthcare services through various financing solutions. These efforts are also supported by EFG Foundation projects that aim to build the capacity of the healthcare sector.





### THE EGYPT EDUCATION PLATFORM

The Egypt Education Platform (EEP) was established in 2019 backed by a diversified group of regional and global institutional investors including EFG Hermes Private Equity, the Sovereign Fund of Egypt (TSFE) and a minority stake from GEMS Education Global.



As EEP continues to grow, it remains committed to providing the highest quality education possible and continuing to fill a critical gap in quality education in Egypt. Thanks to a focused vision and skilled management, EEP is quickly becoming one of the leading educational providers in Egypt.

EEP'S strategic direction relies on 4 key pillars:

 <p><b>Student empowerment</b></p> <ul style="list-style-type: none"> <li>Enhancing the education in Egypt by offering new approaches for students to excel and grow as happy, innovative, compassionate, and responsible citizens of the world.</li> </ul>	 <p><b>Catering to diverse needs</b></p> <ul style="list-style-type: none"> <li>Expand our diversified platform by offering a variety of curricula suitable to all socio-economic segments to meet their requirements.</li> </ul>
 <p><b>Nurturing student wellbeing</b></p> <ul style="list-style-type: none"> <li>Building strong characters is supported by providing an emotional and social safe environment where students can express themselves and to become responsible individuals.</li> </ul>	 <p><b>Fostering collaboration</b></p> <ul style="list-style-type: none"> <li>Integrating students into a collective community and enabling them in learning to collaborate and work in teams as a core part of their education. Engaging families in the students' daily life and providing opportunities for input on key decisions.</li> </ul>

Today, EEP's portfolio comprises 25 assets across Egypt with a combined capacity of approximately 20k students. The platform operates in the Egyptian market under 5 different verticals and brand names including GEMS International Schools, Hayah Schools, Prime International Language Schools, Trillium Preschools as well as investments in complementary services such as education content development through EEP's majority owned Selah El Telmeez, in addition to student transportation which is provided through the platform's majority-owned Option Travel.



## COSMIC VILLAGE SCHOOL COMPLEX

In 2023, the EEP witnessed the inauguration of four schools in the first phase of the Cosmic Village School Complex as part of the partnership between TSFE and private sector pioneers including the EEP to provide world-class education, affordable to middle-income Egyptian families.

The EEP and The Sovereign Fund of Egypt (TFSE), in collaboration with the joint-venture between El Sewedy Capital Holding and CIRA Education, as well as Mobica, share a resolute vision – to provide the Egyptian youth with a world-class education at affordable rates with inclusive scholarship opportunities. The goal is to ensure that Egyptian students receive education that rivals, and in some cases surpasses, that of their peers in the United States, Europe, or China. It is worth noting that the curriculum includes early coding classes – as early as FS1, and opportunities in fields like fashion, music, arts, and manufacturing – opportunities typically reserved for university-level study. The number of students in the four schools has reached about 1,000, and the target is to reach about 10 thousand students upon completion of the project's first phase. A partnership contract for the establishment of the fifth school is in the works.

EFG Holding remains committed to supporting the future growth of this partnership, as it plays a vital role in advancing the development of the Egyptian education sector.

## TAALEEM

EFG Holding also successfully completed advisory on the USD 204 million initial public offering (IPO) of Dubai education provider **Taaleem** on the Dubai Financial Market (DFM). The IB acted as Joint Lead Arranger and Joint Global Coordinator on the transaction. Taaleem issued 250 million new ordinary shares, representing 25% of its share capital. The shares were priced at the high end of the indicative price range at AED 3.00/share, implying a total market capitalization of AED 3 billion. The transaction garnered strong interest from both retail and institutional investors alike, with demand raised reaching AED 13.7 billion, implying an oversubscription of 18x.

The IB closed the first private sector IPO on the DFM in recent memory, which required significant marketing capabilities to showcase Taaleem against multiple government-backed listings in the GCC. The division's unparalleled track record allowed it to create strong allocable demand from global institutional investors looking to capitalize on Taaleem's attractive investment proposition and mobilize capital for social impact and overall development of the vital education sector.

Taaleem is one of the largest K-12 premium education providers in the UAE, holding, as of August 2022, a portfolio of 26 schools. For the 2022-2023 academic year, its student base stood at 27,407, with a teaching staff of 1,721 teachers. The company intends to use the proceeds from the offering to expand its premium K-12 segment through the potential roll-out of four new premium schools in Dubai and Abu Dhabi to meet the growing demand for high-quality K-12 education in the UAE.

**taaleem**  
inspiring young minds



## CIRA EDUCATION

EFG Holding also successfully closed the second issuance of a future flow securitized bond for **CIRA Education**, the largest integrated provider of educational services in the Egyptian private sector. The transaction, worth EGP 700 million, is the second issuance of an approved EGP 2.0 billion bond programme and is backed by future revenues generated by the company.

CIRA operates 27 schools with 34K students for the academic year 2023/2024 and owns 2 universities, Badr University in Cairo (BUC) and Badr University in Assiut, with a total student body of 20K in 26 different faculties. With the majority of the Group's schools operating under its own 'Futures' brand, CIRA caters predominantly to the fragmented middle-income segment, offering premium curriculum at affordable pricing.

The issuance of this bond and the wider securitization programme represent a significant milestone in EFG Holding's dedication to fostering financial inclusion and education in the Egyptian market, underlining the importance of private-sector engagement in the education sector. The company firmly believes in the positive impact of investing in education, and through this bond issuance, it is confident that CIRA Education will continue to excel and deliver high-quality education to the Egyptian community.



'We are proud to have played a pivotal role in facilitating this EGP 700 million bond issuance for CIRA Education, which not only underscores EFG Hermes' leadership in financial markets but also represents a remarkable step towards strengthening the educational infrastructure in Egypt. We firmly believe that investing in education is a strategic imperative that will drive not only economic development but also societal progress.'

**Maie Hamdy**

Managing Director, Debt Capital Markets  
EFG Hermes

## VALU HEALTHCARE & EDUCATION FINANCING



According to the latest data from the Ministry of Education, Egypt is currently home to 27 public universities, 27 private universities, 20 semi-private universities, 10 technology-centric universities, and 6 foreign university branches — all of which are collectively serving a total of 3.6 million students. As a result of the growing student population, education providers have been seeking various financing solutions, especially as tuition fees continue to rise.

Over the past two years, valU, MENA's leading universal financial technology powerhouse and EFG Holding subsidiary, has established itself as a pioneer in education and healthcare finance through a series of innovative collaborations. In 2022, valU partnered with the American University in Cairo (AUC) to offer convenient and affordable financing plans for individuals seeking to pursue an undergraduate or a graduate degree at the AUC. 2022 also saw valU join forces with PayTabs Egypt and The Knowledge Hub Universities (TKH), enabling TKH's students to utilize valU's financing solutions and process online payments via PayTabs Egypt's payment gateway. In addition to universities, valU has partnered with various renowned schools as well to offer BNPL financing services to facilitate tuition fee payments. In the healthcare sector, valU has partnered with healthcare providers to facilitate financing.

In 2023, valU announced three groundbreaking partnerships that underscore its commitment to providing innovative financing solutions in areas such as career growth, vocational training, and access to medication.

## The Egyptian Banking Institute

valU announced its partnership with the Egyptian Banking Institute (EBI), the official training arm of the Central Bank of Egypt (CBE) to offer convenient financing and affordable instalment plans for individuals seeking to pursue EBI's training programmes. The EBI excels in providing state-of-the-art training solutions in line with the latest industry international best practices with the mandate to develop the human capital in the banking sector in areas of banking, management, leadership, information technology, and SMEs.

The partnership between EBI and valU brings significant benefits to learners, ensuring a seamless payment experience

'Joining forces with ValU represents a significant milestone to bridge the gap between ambition and affordability for learners across Egypt.'

**Dr. Abdel Aziz Nosseir**

Executive Director,  
Egyptian Banking Institute

that enables them to pay for their training programmes, certifications, and qualification programmes with ease and without stress. The introduction of valU’s instalment payment plans further enhances the opportunity for individuals to access EBI’s acclaimed programmes through convenient financing options that suit their needs. This collaboration reflects valU’s steadfast commitment to empowering individuals through innovative financial solutions and convenient instalment plans toward the goal of inspiring individuals to achieve their aspirations through increased accessibility.”

### EL Sewedy University of Technology

In 2023, valU also announced a partnership with EL Sewedy University of Technology (SUT) – Polytechnic of Egypt to offer its financing services for individuals looking to pursue degrees offered by the university. To demonstrate its belief in the value of technical education, valU also offers a scholarship grant to one select Bachelor of Engineering Technology student. The partnership is an integral part of valU’s strategy to provide access to quality education for Egypt’s youth and to promote affordability by collaborating with leading educational institutions.



Thanks to this agreement, students enrolled in SUT – POLYTECHNIC OF EGYPT will be able to pay their tuition fees over 6 to 12 months through valU, leveraging the BNPL leader’s convenient and affordable financing plans. valU’s services will be extended to a multitude of the university’s undergraduate and postgraduate programmes. SUT - POLYTECHNIC OF EGYPT is the first polytechnic university in Egypt that offers a four-year Bachelor of Engineering Technology degree through an integrated, hands-on practical education approach, technical training, and industry partnerships to more than 12,000 students. SUT – POLYTECHNIC OF EGYPT provides 19 accredited and trusted programmes developed in partnership with industry leaders to allow national and international exposure across multiple fields.



Through its collaboration with the Dubai campus of Amity University, one of the leading multi-disciplinary private universities in India, SUT – POLYTECHNIC OF EGYPT is pioneering higher education in Egypt, offering programmes such as Electrical Engineering Technology, Computer Science & Engineering Technology, Network and Cyber Security Technology Programme, Artificial Intelligence and Machine Learning Technology, and more. The university is strategically located on Cairo-Ismailia Desert Road on an 85,000-square-meter built-up area.

### GSK

Financing healthcare services is a critical factor in advancing the availability and affordability of services. By ensuring increased access to financing, EFG Holding aims to enhance equitable and effective progress toward healthier societies. In 2023, valU, EFG Holding’s leading universal financial technology powerhouse, and GSK, a science-led global healthcare company announced a unique partnership in 2023 aimed at providing flexible financing solutions for a range of GSK’s vaccines available at a wide range of pharmacies across Egypt. By introducing innovative financing options, the collaboration endeavours to make the purchase of GSK’s vaccines more

attainable for a wider demographic, thereby positively impacting the healthcare landscape in Egypt.



In this collaboration, valU and GSK aim to create a more inclusive and equitable healthcare ecosystem, aligning with their shared vision of advancing public health and well-being in Egypt. They aim to empower individuals and families to prioritize preventative healthcare, ultimately contributing to the well-being of communities nationwide. BNPL programmes can make vaccines more affordable and accessible to individuals who may not have the funds to pay for medication upfront. This can be particularly beneficial for those with ongoing medical needs

‘We are thrilled to announce our partnership with GSK, which aims to enhance healthcare accessibility in Egypt. This collaboration reflects our shared commitment to improving public health and well-being.’

**Walid Hassouna**  
CEO, valU

or unexpected medical expenses. It can help alleviate the financial burden of purchasing vaccines, making it easier for individuals to manage their healthcare expenses.

The partnership is the latest in a series of successful collaborations valU has forged in the Egyptian healthcare space, including those with Saudi German Hospital, As-Salam International Hospital, Dar El Fouad, Cleopatra Hospitals, and El Nada. Given GSK’s extensive history in Egypt and its aim to positively impact the health of 2.5 billion people by the end of 2023, this collaboration will only deepen and expand valU’s already comprehensive footprint in the Egyptian healthcare sector.

### CORP-SOLUTIONS HEALTHCARE & EDUCATION PORTFOLIOS

Corp-Solutions is one of EFG Holding’s flagship NBFi subsidiaries. It provides leasing and factoring services that can be combined in customized packages designed to provide optimal financing. In the healthcare and education sectors, these services can be leveraged to provide critical funds for sustainable investments.

EFG Corp-Solutions has allocated funds to the healthcare sector worth EGP 120Mn to facilitate this expansionary phase. The allocated funds are directed to the top market players, contributing 8.67% to the overall leasing portfolio. On the factoring side, EFG Corp-Solutions has continuously supported the healthcare industry by financing companies that provide various medical services, to meet the surge in demand since the pandemic. One of the approved clients is a manufacturer of medical supplies, specialized in intravenous medical solutions and sterile water for injections. Another approved client imports needed medical products from abroad before utilizing its own fleet and network to distribute such products across Egypt. These clients have total factored invoices of EGP 301.4Mn in FY 2023 alone, and EGP 1.8bn of factored invoices since company inception, reaffirming EFG Corp-Solutions’ commitment to the healthcare segment. As of December 2023, the healthcare segment comprised 17.55% of the total factoring portfolio.

In the education sector, EFG Corp Solutions has been heavily focused to increase its contribution by increasing the total new financing of educational institutes by EGP 100Mn, geographically located El Sharkeya and the New Administrative Capital. The education sector’s contribution to the leasing portfolio was 8% in 2023 and provided financing for two reputable educational institutes.

**EFG Corp-Solutions**

**Healthcare: 8.67% of the overall leasing portfolio; 17.55% of the overall factoring portfolio (Dec23)**

**Education: 8% of the overall leasing portfolio (Dec23)**

### RX HEALTHCARE MANAGEMENT

**Rx Healthcare Management**

**Investment Pipeline USD 200Mn**

Rx Healthcare Management (RxHM) is a private equity investment management firm set up to address the growing demand for high-quality, affordable healthcare products and services across Egypt, the MENA region and Africa. It invests in highly selective targets, with a clear growth trajectory across healthcare verticals, giving investors access to unique opportunities across the sector’s value chain. The Firm’s investment approach is predicated on providing growth capital through investing in controlling stakes (and on selective basis, in controlled minority stakes) in companies operating in the segments of pharmaceuticals manufacturing and other complementary healthcare sub-segments.

In 2021, RxHM acquired medical solutions provider United Pharma (UP), Egypt’s leading player in the injectables space by installed capacity with an established track record of supplying the Egyptian local market as well as exports to key African and Middle East. In 2022, United Pharma recorded a significant 85% increase in revenues at the end of the year and was well on track to achieve its 2023 targets.

Parallel to the success of United Pharma, the RxHM platform continues to capitalize on lucrative prospects in the injectables and other generic pharma segments. Over the past year, the team has been building a strong deal pipeline exceeding USD 200MM. We expect fundraising to be undertaken during 2024.

## NURSE TRAINING WITH THE MAGDI YACOUB HEART FOUNDATION

The EFG Foundation has always placed special emphasis on funding vital healthcare initiatives in Egypt in collaboration with the public sector and civil society. From organising employee blood drives to supporting Hepatitis B vaccinations amongst university students and helping to fund vital equipment in hospitals in Upper Egypt, we are always looking to support initiatives where we can achieve maximum impact.



One of the Foundation's most impactful partnerships in the healthcare sector has been its collaboration with the Magdy Yacoub Heart Foundation. In 2022, the Foundation partnered with aiBANK and the Magdy Yacoub Heart Foundation (MYHF) to support patients most in need at the Aswan Heart Centre by sponsoring heart surgeries. This year, the Foundation deepened its commitment to the outstanding work of the MYHF, thanks to a tripartite agreement with the aiBANK Foundation for Community Development (aiBANK Foundation) and the MYHF. The partnership focuses on supporting the training and qualification of nurses in the treatment centres affiliated with the MYHF at the Aswan Heart Centre (AHC).

The collaboration aims to enhance the quality of healthcare services provided to patients suffering from cardiovascular diseases, particularly in Upper Egypt. The AHC nurse fellowship programme is one of the most distinguished training programmes for nurses nationally. A total of 70 nurses are annually selected from 5 different universities across Egypt and undergo comprehensive training in quality cardiac care using interdisciplinary and participatory methods. This is underscored by an impressive average retention rate of 80%, indicating that most nurses participating in the fellowship programme receive employment offers for full-time positions at the AHC upon successful completion of their programme. Today, some of the most senior positions in the hospital are held by former fellowship alumni and even those who do not stay at the AHC go on to have highly promising careers in hospitals across Egypt.

The extensive training program applies the most advanced global trends in the field and is conducted internally at AHC, constituting both practical and theoretical elements. The programme supports newly graduated nurses transitioning from novice to professional cardiovascular nurses. Fellows in this programme are trained extensively across the continuum of cardiac care through mentored experience, interdisciplinary rounds, conferences, self-learning modules, and workshops. The project is expected to have a positive impact on the quality of health care services provided to the patients. Additionally, it aims to enhance the professional development and career prospects of these nurses, aligning with the EFG Foundation's commitment to sustainable healthcare.



## INTEGRATED SUSTAINABLE DEVELOPMENT

Prioritizing ethical practices, community engagement, and environmental stewardship reflects our core principles and builds trust with our stakeholders. We take our responsibility towards the communities where we do business seriously and understand the importance of giving back, primarily through the groundbreaking integrated development programmes implemented by the EFG Foundation. The Foundation has been committed to the integrated development of underprivileged rural areas in Upper Egypt since 2006 through pioneering, holistic collaborations with public, private, and community organizations in the fields of Disease prevention, youth development, and poverty alleviation.

The EFG Foundation's foundational model for its projects is that of 'Integrated Sustainable Development' (ISD), an approach that ensures equitable progress towards all the UN's 17 SDGs, while aligning with the 2030 agenda, as well as national development plans and objectives. The Foundation chooses ISD as an overarching tool to tackle sustainability's three main components – social, environmental, and economic – simultaneously to actualize lasting positive impact and avoid undesirable long-term ramifications.

To date, the Foundation has carried out projects in various locations around Egypt including Cairo, Beni Suef, Qena, Luxor, Aswan, and Minya. Years dedicated to advocating and advancing sustainability from a holistic perspective have helped the Foundation distil its approach to new ISD projects into two straightforward interrelated concepts:

- The first is building the trust within the community and fostering unrestricted open dialogue.
- The second is identifying available resources and capabilities within that community, a task that becomes clear only after a strong connection has been established.

This allows the Foundation to customize the most effective, location specific model designed to create lasting impact and generate a tangible shift in mindset and a heightened awareness accompanied by a new sense of hope and optimism within the community.

### The EFG Foundation Pledge

As stewards of transformative change, we pledge to steadfastly dedicate our efforts and resources towards mitigating societal inequalities. With unwavering commitment, we strive to empower underprivileged communities through education, health and economic initiatives, and sustainable practices. In pursuit of a more equitable world, we pledge transparency, accountability, and the tireless pursuit of lasting impact for the betterment of humanity.

### Naga' El Fawal & El Deir Integrated Development Project

Since 2017, the Foundation has been committed to Naga' El Fawal & El Deir Village (Esna, Luxor) as the site of our most recent ISD project. In 2023, we continued our work in the area with a series of new and enhanced initiatives, each one designed to increase the sustainability of the project and further empower the local community.

'The most rewarding aspect of the job is witnessing the shift in mindset and the trust reflected in people's eyes; it's then that the true lasting impact becomes evident.'

**Sarah Hefny**

Project Director, EFG Foundation

### MILESTONES

<p>2017</p> <p>Refurbished the Healthcare Unit serving 75000 people</p>	<p>2017</p> <p>Conducted training for 300 youths on Montessori methods</p>	<p>2018</p> <p>Built a sanitation network serving 15,000 people</p>
<p>2019</p> <p>Built the Young Scholars Academy &amp; recruiting 50 teachers</p>	<p>2020</p> <p>Demolished &amp; rebuilt 94 housing units</p>	<p>2021</p> <p>Built the sewage network &amp; pumping station serving 15,000 people</p>
<p>2023</p> <p>Demolished &amp; rebuilt 66 housing units in cooperation with Hayah Kareema</p>	<p>2023</p> <p>Graduated 400 students to date from the Young Scholars Academy</p>	<p>2023</p> <p>Launched the Green Footprint Initiative</p>

**The EFG Foundation is not just making progress; it is creating lasting impact!**



## THE YOUNG SCHOLARS ACADEMY

Sustainable development really comes down to seeing the real-world impact on people's lives. While metrics and SDGs are vital to quantify and monitor progress, it is seeing tangible, sustainable benefits that drives us at the EFG Foundation. Creating an environment that allows the residents of El Deir Village to identify opportunities and seize them is the overarching goal of our work. Over the years, we've been privileged to see our work help people thrive. From nursery school children getting a solid educational start in life to families finally able to live a decent life in well-built houses with access to utilities and healthcare services, beneficiaries of our projects have demonstrated time and again that integrated development projects are catalysts of growth. But it is at the Young Scholars academy that our work has coalesced to truly demonstrate the value of our approach to community development.



### The Project

September 2019 saw the launch of El Deir Village preschool, the Young Scholars Academy. The first nursery of its kind within the community, since its launch, it has experienced remarkable growth, witnessing a twofold increase in student enrolment from 70 to an impressive 140. Furthermore, it has played a pivotal role in the graduation of a cohort of over 400 students to date. In tandem with the doubled student headcount, the academy has expanded its facilities, increasing the number of classes and facilities to ensure a conducive learning environment.



‘Working with children – understanding their experiences and supporting their growth – not only impacts the community, but also contributes to shaping new generations.’

**Aliaa Atef**

Project Officer, EFG Foundation

The nursery adheres to an inclusive Montessori system with a section dedicated to children with special needs. Currently, the nursery employs over 45 individuals, of whom 40 are trained teachers. Since its establishment, the preschool has trained and supported more than 300 young individuals in all Montessori disciplines. Some have chosen to remain within the institution while others contribute to the community through different organizations.

In 2023, a customized upskilling agenda



was developed, set to unfold over a two-year period. This initiative aims to enhance the capacity of teachers to better address the needs of children with disabilities and will encompass a multitude of aspects such as applied behaviour analysis (ABA), speech therapy, sensory integration, problem solving, debellated learning, autism assessment and reporting, and more.

Furthermore, the EFG Foundation has diligently worked towards financial inclusion by integrating 100% of the academy's staff into the formal banking system in 2023. Lastly, in alignment with the foundation's steadfast dedication to climate action, the academy is powered entirely by solar energy.

### The Young Scholars Academy in Numbers

Capacity	Employment	Graduates	Training	Financial inclusion
140 Students	45 jobs	400 students	300 trainees	100% of staff

### The Impact

When the Foundation established the Young Scholars Academy, the primary objective was to provide preschool education for children with no access to services. While it has been successful in fulfilling this goal, the impact of the academy has been so much wider. It has had a ripple effect within the hamlet, affecting not just the children but also the parents, the teachers, and the community at large. The numbers speak for themselves, but it is the stories of the individuals whose lives have been touched by the Academy that truly illustrate the impact of the project.



‘We were depressed and desperate; now our house resonates with joy.’

**Dr Ahmed Ismail**

Father of Ibrahim

Ibrahim's father enrolled his son at the Young Scholar's Academy as a last resort. Ibrahim had been diagnosed with autism and attention deficit disorder (ADD) and could neither communicate nor express himself. He was frustrated and his parents couldn't cope. They considered institutionalising him but were devastated at the thought of sending him away. When Ibrahim first started attending the academy, his parents had low expectations, but at least it was close by. The teachers at the Academy held periodic meetings with the family and explained their methods. As Ibrahim gradually built skills, the parents also learned how to extend the academy environment into their home. Within one year, Ibrahim could talk; he could finally communicate his needs to his family. Today, Ibrahim has been mainstreamed into the government education system and is thriving in third grade. Ibrahim's father chokes up as he talks about how far his son has come, 'It's a miracle,' he says.



‘My daughters are self-assured and confident. They know how to behave, how to dress, what to say in different situations. I couldn't be happier.’

**Ms Huda Sayed**

Mother of Asya and Farida

‘We live in a rural area with limited facilities,’ says Ms Huda Sayed, mother of Asya and Farida Abdulrady, ‘Children grow up with limited supervision and few life skills.’ Huda's biggest concern though was always that there were no decent learning opportunities for her daughters in the area. The establishment of the Young Scholar's Academy was a lifeline for her. The education system, the cleanliness, and the facilities have provided her daughters with the nourishing environment they need to thrive. ‘I can see how different my daughters are,’ she says, ‘They stand out in any situation.’



'It's our role to understand the needs of the children beyond the purely academic.'

**Ms Fatma Gaber**

Teacher



'I never dreamed I would have access to facilities and training opportunities like I have here.'

**Ms Zeinab Abdallah**

Teacher

Fatma Gaber joined the Academy as a teacher in 2019. When she talks about her role and the challenges the teachers face, she radiates confidence and dedication. 'We live in a community where nobody understands that education means more than simply learning how to read and write,' she says, 'Here at the Academy, we've learnt that children have other needs as well.' The teachers receive training not just in how to deal with each child individually but also in how to communicate with the parents and explain how they can deal with children at different developmental stages. The continuous development of skills sets the Academy apart and has created an environment of curiosity and collaboration among staff members. 'We constantly exchange information to make sure that the children receive the best care', Says Zeinab, Fatma's colleague, 'The system is set up in a way to make it easy for us to cooperate and learn from each other.'



'We faced challenges getting the community to accept our approach but we've reached a point where we get parents telling us they are learning from their children.'

**Abdel Hamid Badr**

Administrative & Financial Manager

When Abdel Hamid Badr applied to join the Academy staff over four years ago, he thought it was just a job like any other. He was a fresh graduate with almost no experience, and little did he know that in just a few short years, he would be the one developing the Academy's strategic approach and actively headhunting potential employees among the graduates of neighbouring universities. From the beginning, he displayed exceptional initiative, and thanks to mentorship by EFG Foundation staff, he was given the opportunity to thrive, taking on responsibilities that include everything from managing day-to-day activities and preparing reports to handling human resources and ensuring a cohesive work environment. 'When the Foundation started working in the area, nobody knew what to expect, but when we saw the depth of commitment first-hand, we realized the value of the approach for our community,' he says, explaining his dedication. 'People learn from each other; the older kids teach the younger ones; the children teach their parents. Our teachers' role doesn't end in class; they go home and act as ambassadors for our approach within their households and communities.' Abdel Hamid acknowledges the challenges the Academy faces within a community that has seen few benefits from the formal education system but considers the rewards of seeing students and families thrive definitely worth the fight. It is in large part thanks to his commitment that the Academy has today become a nexus of innovation, a hub where both ideas and people are allowed to grow and thrive. It has become a place of hope.

## THE GREEN FOOTPRINT – TOWARDS A SMART GREEN FUTURE

In 2023, the EFG Foundation launched the **Green Footprint Initiative** in the El Deir community in Esna. The Green Footprint initiative aims to empower women to become agents of change within their families through the cultivation of rooftops and balconies. Utilizing these empty spaces for simple commercial agricultural activities can provide women with additional income that will reflect directly in investment towards their children's health, education, and overall livelihoods.






### The Project

The project strategically utilizes rooftops and balconies of homes and nearby buildings as operational sites, chosen for their cost-effectiveness and accessibility, particularly for women. Aloe Vera has been carefully selected as the primary crop, given that it thrives in the high temperatures of the selected location of Luxor Governorate. This versatile plant can be used to produce various products, from cosmetics and medical items to dietary supplements. Smart techniques and water conservation measures are employed to ensure responsible resource management and minimize water usage during Aloe Vera cultivation.

To reach a wider audience, a diverse range of marketing channels, including bazaars, hotels, and online platforms, are harnessed to effectively promote and sell the products while authentically representing the characteristics and culture of Luxor Governorate. The project also supports Egypt's digital transformation and financial inclusion strategy. By integrating technology, the initiative ensures efficiency, transparency, and accessibility to all.

## THE GREEN FOOTPRINT – PROJECT PILLARS

 <p><b>Economic</b></p> <p>Producing sustainable natural products attractive to consumers Establishing e-commerce platforms to increase reach, transparency, and accountability.</p>	 <p><b>Social</b></p> <p>Training and empowering women, improving their living standards, and promoting behavioural changes within families.</p>	 <p><b>Environmental</b></p> <p>Reducing carbon emissions by an average of 137 kg per square meter annually</p>
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## THE GREEN FOOTPRINT – PROJECT DESIGN

Key aim: REPLICABILITY

Each element of the project was designed deliberately to ensure ease of implementation and maximum benefit and ensure that it can be replicated in every Egyptian hamlet or village to boost livelihoods by producing high-demand, sustainable products while endorsing our underlying motive of migrating 'Towards a smart green future'.

Project Element	Project Design	Rationale
<b>Enterprise</b>	Aloe vera plant cultivation	Suitable for the Upper Egypt climate, uncomplicated process, minimal water needs
<b>Target Group</b>	Rural Egyptian women	Nucleus of family, empowering women benefits the whole family
<b>Product</b>	Aloe Vera gel	High demand, sustainable component in beauty & medical products
<b>Location</b>	Residential rooftops & balconies	Accessible & available for most households
<b>Process</b>	Training of local women on theoretical & practical aspects	Awareness raising on sustainability & skills development for planting techniques and raw material extraction
<b>Marketing</b>	Online platforms, local bazaars, commercial outlets, and hospitality industry outlets	Extension of reach beyond local tourism market
<b>Sustainability</b>	Training of trainers in entrepreneurship & marketing skills	Formalization of the business cycle & promotion of financial inclusion



## The Impact

The pilot phase was implemented in cooperation with the Young Scholars Academy with cultivation taking place on the roof. Cultivation also took place in participating women's rooftops and balconies after the Foundation provided them with abundant supplies of aloe vera plants.

The first training phase, conducted in September 2023, included a theoretical and a practical component. The theoretical part focused on raising awareness about sustainable development, climate change and resilience, and the circular economy and was followed by hands-on training on planting techniques and methods of raw material extraction. The second phase scheduled to be held in the second half of 2024 includes a "Train the Trainer" programme focusing on teaching the participants about entrepreneurship and marketing to help them execute their project and ensure sustainability. Instilling a business mindset in the women is fundamental not only for progress but to equip them for sustained success in their newfound venture and create a ripple effect through knowledge transfer in their surrounding communities.

The impact achieved by the 'Green Footprint Initiative' is significant. The first phase has resulted in a reduction of 3 tons of carbon emissions per year, in addition to the recycling of solid and organic waste and the implementation of conservation measures. Additionally, the project promotes sustainability by recycling wastewater from air conditioning and solar panel cleaning. It has also achieved a %68 return on investment and created 100 new job opportunities. Additional income has been generated for families, ranging from EGP 12,000 to EGP 15,000 annually, making a significant contribution to their well-being and providing a sustainable and simple means of income enhancement for both rural and urban underprivileged families. The initiative has proudly contributed to the achievement of 14 out of the 17 sustainable development goals (SDGs) set by the United Nations, in line with Egypt's 2030 strategy. As the project has gained momentum, it has garnered recognition and the EFG Foundation was nominated and won first place in Luxor in the non-profit projects category at the Smart Green Project Competition held by the National Initiative for Smart Green Projects. The project has also secured a place among the finalists competing on the national level.

**Economic Impact**

**68% ROI**  
**100 new jobs**  
**EGP 12–15K additional annual income per family**

**Social Impact**

**50 women trained and empowered**

**Environmental Impact**

**3 tons annual reduction of carbon emissions**

**Solid & organic waste recycling**  
**Water conservation**

'The Green Footprint initiative is a natural extension of the integrated sustainability development model championed by the EFG Foundation in its continuous efforts in tackling modern-day challenges, fostering climate resilience while embracing digitization.'

**Mona Zulficar**  
Non-Executive Chairperson of EFG Holding and Chairperson of the EFG Foundation

## The Partnerships

In all its projects, EFG Foundation initiates synergistic partnerships that add value and expand project reach. As part of the Green Footprint initiative, the EFG Foundation partnered with the Ministry of Planning and Economic Development, and the Institute for Governance and Sustainable Development to launch the **Her for Sustainable Development** training programme for 50 women.



The Foundation also partnered with Norshek, a social enterprise that provided product development and design services to help launch a branded beauty product using the aloe vera gel produced in the pilot phase.



### A Gift That Tells a Story...

Every year, EFG Holding celebrates Women's Day with gifts for female staff members. This year the gift wasn't just a token, it was the story of a revolution blooming in the heart of Luxor. Luxor Aloe Vera Gel was produced by the 40 fabulous women of El Deir Village who transformed a barren rooftop into a green productive oasis as part of the pilot phase of the award-winning Green Footprint Project.

Every detail of Luxor Aloe Vera tells a story of sustainability: from the recycled box, the reclaimed water and the organic fertilizer to the exquisite calligraphy and the heritage branding, each element is a celebration of resilience, innovation, and hope.



## Infrastructure Upgrading

As part of its ongoing commitment to enhance El Deir's infrastructure, the Foundation has successfully upgraded the rudimentary sewage network, as well as completing the construction of a pumping station dedicated to serve over 15,000 individuals in 2022. With recently obtained qualifying permits, the Foundation aims to connect its state-of-the-art sewage network and pumping station to the local wastewater treatment plant, which is set to be inaugurated in the second half of 2024. This strategic collaboration with the Holding Company for Water and Wastewater marks a crucial step forward in the Foundation's continued efforts to contribute to the community's sustainable development and improved sanitation infrastructure.

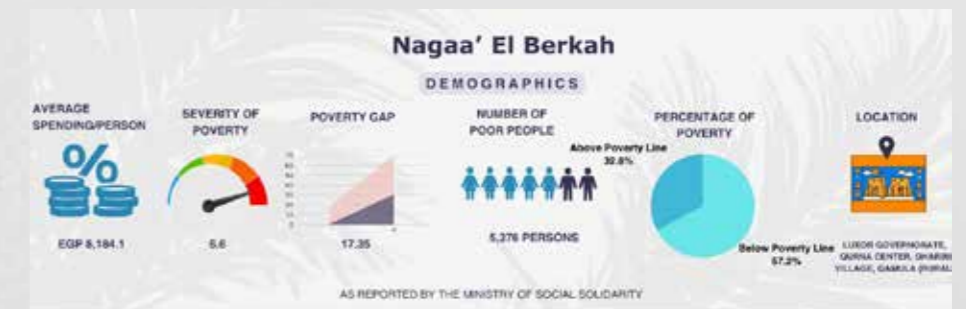
In 2023, the Foundation also delivered 66 houses to residents of El Deir village as part of a project undertaken with the Ministry of Social Solidarity and the presidential Haya Karima initiative. The project builds on the work done by the Foundation as part of the EGP 100 million Naga' El Fawal & El Deir Village Integrated Development Project benefitting over 75,000 inhabitants. A total of 120 houses will be built under this initiative. All these achievements reflect not only on the Foundation's dedication but also the positive transformation it fosters in the community.

## Naga' El Berkah School

Following the collaboration protocol between EFG Foundation and the General Authority for Educational Buildings in March of 2023, EFG Foundation has once again joined forces with the Kuwaiti Initiative to build a school in Luxor's hamlet Naga' El Berkah.

This initiative marks an expansion of the EFG Foundation's commitment to advancing its sustainable development approach throughout Luxor Governorate, extending beyond its flagship projects in El Deir village. The selection of the location was guided by the General Authority for Educational Buildings, responding to the urgent need for educational facilities in the area.

Naga' El Berkah is a hamlet in Luxor governate that is home to a population of 8,000 people of which more than 65% are below the official poverty level. Presently, only one school serves the community, catering exclusively to



primary-level education. The nearest preparatory school requires a round-trip of 6km, which local children undertake on foot.

The planned school, scheduled for completion and inauguration at the commencement of the academic year 2024–2025 will feature 22 classrooms over four floors and 4,200 square meters to accommodate 1,000 students. It aims to address the educational needs of the community by offering facilities for foundation, primary, and preparatory year groups.

## Financial Inclusion

EFG Holding is committed to increasing financial inclusion across its footprint through several of its subsidiaries such as EFG Finance and aiBANK. From the unbanked and those with minimal access to financial services to start-ups, entrepreneurs, and small businesses, we offer a full suite of services designed to facilitate access to financing, realize economic development, and create employment opportunities

‘Sustainability is fundamental to our corporate strategy, enabling us to thrive as a sustainable business in this dynamic world. It bridges the gap between profitability and responsibility. Our active prioritization of ESG today paves the way for a resilient and thriving future.’

**Aladdin ElAfifi**  
CEO, EFG Finance

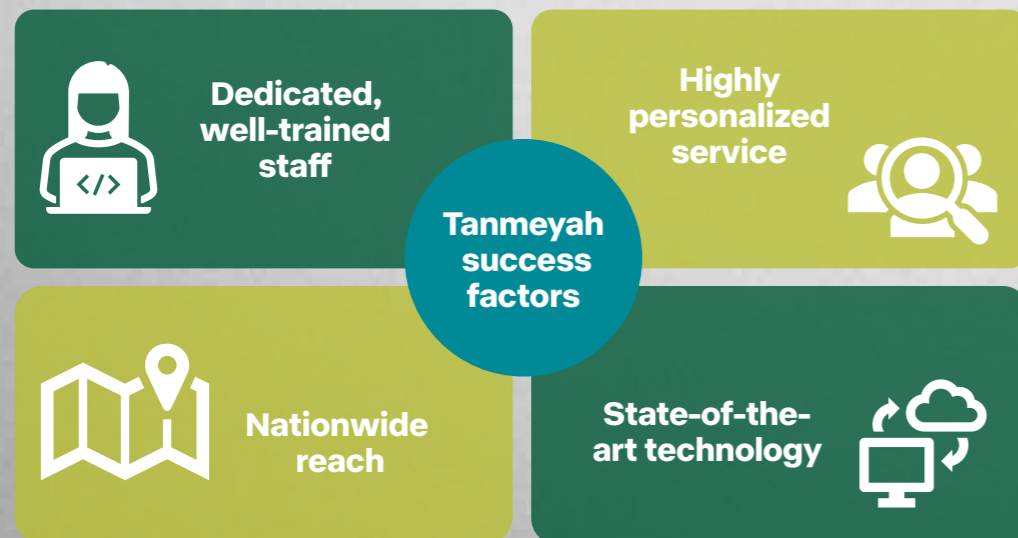
## Tanmeyah

Established in 2009, Tanmeyah has grown to become Egypt’s premier financial services provider for small and micro enterprises, providing access to critical capital that can transform lives, build businesses, and drive socioeconomic change. With the widest branch network in the country, deep industry knowledge, and community ties, Tanmeyah has improved lives and built businesses of millions across the country. Tanmeyah has issued over two million financing facilities of various types and sizes. It currently serves a growing client base of around 30,000 new monthly active borrowers through its network of over 305 branches and almost 5000 employees in 25 governorates.



Despite Egypt’s young and vibrant population and its well established and advanced banking sector, most Egyptian businesses remain outside the scope of the banking industry. These individually owned and very small enterprises are considered ‘un-bankable’ by major financial institutions and lack access to the funding needed to grow their business. Tanmeyah is a strong believer in these hard-working and entrepreneurial Egyptians. Helping them start or scale their businesses results in increased employment and improved living standards for families and communities.

Tanmeyah offers a wide range of financial solutions, products and services that complement the diverse needs of small businesses, such as individual lending for women and youth and specialized loans along with a specialized insurance suite and payment solutions.



## Tanmeyah Loan Services



### Micro Enterprise

Working capital loans from EGP 10,000 to EGP 75,000 for lower-income individuals who are running very small family-owned businesses and cottage industries. (82% Contribution to Active Borrowers)



### Very Small Enterprise

Loans from EGP 75,000 to EGP 220,000 to provide immediate liquidity to help very small enterprises (VSEs) manage their cashflow. (0.3% Contribution to Active Borrowers)



### Individual Lending

Working capital loans from EGP 5,000 to EGP 15,000 for lower-income individuals who are running very small family-owned businesses and cottage industries.



### Medical

Working capital loans from EGP 100,000 to EGP 200,000 to provide liquidity for Doctors and Pharmacists to manage their cash flows. (0.02% Contribution to Active Borrowers)



### Repair & Maintenance

Loans from EGP 5,000 to EGP 25,000 for drivers to fund any repair and maintenance needed for their cars.

## DIGITAL INNOVATION

In 2023, Tanmeyah announced the launch of its mobile application, taking a big step in its digital transformation journey. This innovative application allows users to apply for financing, view the latest offers, and view details of their existing financing, all while incorporating the latest information security technologies and standards to ensure the protection of customer data across all their financial transactions. The Tanmeyah app features a sleek and user-friendly interface, ensuring a simplified user experience that caters to the diverse needs of customers. The app also provides customers with sufficient information about the company’s products and services while making the entire process straightforward and enjoyable. Tanmeyah places a premium on privacy and confidentiality, setting a new standard for trust in the digital financial landscape.

‘Launching this app marks a significant step in our mission to bridge the financial gap for Egypt’s underserved communities. By making our services accessible and convenient, we’re putting the power of financial tools directly into the hands of those who need it most.’

**Jinu Johnson**  
CEO and Managing Director of Tanmeyah

## PRODUCT UPGRADING

As part of its effort to continuously upgrade the services offered to its underserved customer base, Tanmeyah recently announced growing its strategic partnership with Gulf Insurance Group (GIG - Egypt), a leading provider of non-life insurance solutions in the country. This collaboration marks a significant milestone as it enables Tanmeyah to expand its product offerings to include multiple new innovative insurance products, further fortifying its commitment to financial empowerment and inclusion. As part of this partnership, Tanmeyah will introduce a wide variety of affordable and accessible micro-insurance products. These products will cover personal accidents, businesses, health (including cancer treatments and family health plans), funeral expenses, livestock, roadside assistance, and housing. These new customized offerings will become available to an extensive customer base through Tanmeyah's network.

TANMEYAH HIGHLIGHTS - 2023					
Branches	Governorates	Portfolio Outstanding	Sales Value Since Inception	Total Clients Served	% of Women Borrowers
305	25	EGP 4Bn +	EGP 33Bn +	+2M	Approx. 50%

## Sustainability Spotlight

### AT TANMEYAH, WE DEVELOP COMMUNITIES!

**"My dream is to export my products to the whole world."**

**Hend**, an ambitious entrepreneur hailing from Nubia in Upper Egypt participated in Tanmeyah's workshop held on Heissa Island last year as part of our strong commitment to community engagement. The experience she gained through the workshop was a pivotal step for her personal development and skills enhancement.

The workshop, entitled 'Basics of Handicrafts and Waste Recycling', gathered over 100 women eager to understand the world of creative entrepreneurship. After the workshop, Hend made substantial enhancements to her products, introducing innovative materials that resonate with her commitment to sustainable practices. Hend's dedication and the knowledge gained during the workshop not only transformed her business but also contributed to her role as a catalyst for positive change within her community



### Without Tanmeyah, there was no source of income!

**Hossam**, a 34-year-old visionary from Aswan, and his partner Nasser embarked on an ambitious project to create a unique Nubian-style hotel on a modest piece of land. With Tanmeyah's financial support, they transformed their dreams into reality, starting with 5 rooms and expanding to 8 through successive rounds of financing. Undeterred by challenges, their entrepreneurial journey continues, fueled by passion and the promise of even greater success on the horizon.



## PayTabs Egyp

PayTabs Egypt Solutions is the country's award-winning provider of digital payment solutions. The platform entered the Egyptian market in 2019 as joint venture between PayTabs, Middle East and South Africa's (MEASA) premier fintech and B2B payment solutions powerhouse, and EFG Hermes, the leading financial services corporation in frontier emerging markets (FEM). PayTabs Egypt provides businesses with the market's leading payment processing solutions. It provides payment processing platforms white labelling platforms and e-commerce, m-commerce, and social commerce payment solutions such as payment links and QR codes.



## Inclusion through Digitization

PayTabs Egypt provides an innovative platform to facilitate financial inclusion. PayTabs caters to online and offline digital payment needs of multiple consumer segments and industries in the country. It offers several innovative fintech solutions, payment-processing platforms and interoperable systems through a state-of-the-art digital payment platform that enables one-click payments and comprehensive solutions for merchants and consumers. This strategy is aligned with the CBE's and FRA's strategy to enhance financial inclusion through encouraging the use of cashless methods by individuals and entities.

PayTabs Egypt's recent announcement regarding the integration of QR codes as part of their fintech innovation is a significant stride in simplifying payment processes for merchants. This transition from traditional POS machines to QR codes offers greater convenience, streamlining transactions and enhancing efficiency for merchants. QR codes facilitate a swift and user-friendly payment experience, marking a progressive step in financial technology.



'PayTabs Egypt is dedicated to learning the payment industry by exploring partnerships that bring value to merchants and elevate the digital payment landscape. The partnership with Souhoola aligns with our vision of fostering financial inclusion and supporting the growth of big commerce in Egypt.'

**Karim Eyada**  
General Manager  
PayTabs Egypt

In its commitment to serving small and medium enterprises, PayTabs has also introduced valU as an alternative payment method on the Paymes social commerce platform. This innovative move enables freelancers and micro-merchants without websites to seamlessly accept online payments, broadening financial inclusivity within

the digital payment framework. Most recently PayTabs announced a strategic partnership with Souhoola, a popular BNPL platform in Egypt to offer a new payment method for PayTabs Egypt merchants, increasing the range of payment options offered online. By adding Souhoola's BNPL solution to the multiple payment solutions available for customers on e-commerce merchant's payment pages, PayTabs Egypt aims to meet the growing demand to deliver more convenient and inclusive payment choices.



### Kaf Insurance

Following the acquisition of a 75% stake by EFG Hermes Holding and GB Capital in Tokio Marine Egypt Family Takaful in 2020, the company has rebranded as Kaf Insurance. Kaf Insurance aims to make insurance accessible to all Egyptians through a digital platform that offers an array of products. Kaf is an Arabic

word that means fit for the purpose, making it inherent in the company DNA to provide customer satisfaction. Since our launch, we have executed consistently on our promise of "making it easy, doing it right" through innovative, tech-enabled solutions. Our mission is to increase financial inclusion for those highly susceptible to financial insecurity by bridging the insurance gap. Kaf Insurance's commitment to safeguarding the health and wealth of Egyptians comes from our core belief that insurance is a social good.







Kaf Insurance witnessed remarkable growth last year to reach a portfolio insuring 2 million lives. This year, Kaf Insurance has remained committed to this portfolio by consistently serving our customers and keeping them at the forefront of our priorities. By offering insurance we are ensuring the financial sustainability of our society and economy.

### Boosting Inclusion Through Technology

Kaf Insurance aims to be the first end-to-end digital insurance provider in Egypt. Putting customers at the core of its mission, Kaf Insurance is partnering with DXC Technology, a leading Fortune 500 global technology services provider, to drive its digital transformation as it becomes Egypt's fastest growing life insurance provider. In a ten-year contract, DXC will enable Kaf Insurance to provide a seamless digital experience for its current two million policyholders and new customers to extend the accessibility of insurance on a national scale. The launch of the Kaf Insurance app is game-changing and will enable individual clients to issue and manage their policies online, significantly reducing the reliance on traditional paper-based processes. Digitizing these operations actively contributes to environmental sustainability effort by minimizing the company's carbon footprint in addition to the core aim of driving financial inclusion by increasing access to insurance for Egyptians.

### The Kaf Insurance Ethos

 <p><b>Tech-Led</b> We provide peace of mind for our customers by meeting their insurance needs seamlessly through our techenabled customer service.</p>	 <p><b>Quick and Easy</b> We aim to connect with our customers and fulfill their expectations through a data-driven understanding of their needs.</p>	 <p><b>Affordable and Reliable</b> We provide simple and clear plans with no hidden cost. What you see is what you get with Kaf!</p>	 <p><b>Socially Driven</b> Creating social impact through actively promoting financial inclusion and helping our customers reap the value of insurance!</p>
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### aiBANK

aiBANK places considerable emphasis on financial inclusion in its product offerings, continuously seeking to empower both individuals and businesses through innovative tools and partnerships.



### SME Financing

In particular, it sees small and medium-sized enterprises as a growth catalyst for the Egyptian economy. In 2023, the bank is proud to announce that it exceeded the Central Bank of Egypt's target percentage requirement of 25% in financing Small and Medium-sized enterprises (SMEs) as part of its total loan portfolio. Notably, this milestone was achieved through strategic allocation of financing to small and medium-sized enterprises (SMEs), which reached an impressive 27.3% by the end of September 2023, with 18.2% dedicated explicitly



to smaller projects. This remarkable

achievement was made possible by introducing innovative financing products under the theme 'Financing That Moves You 100 Strides Forward'. These tailored products are designed to cater to the needs of small and medium-sized businesses with a value of up to EGP 10 million, offering flexible instalment plans spanning up to five years. Their swift approval process sets these financing solutions apart, with applications being processed in just four days. This successful endeavour highlights aiBANK's commitment to fuelling the growth and development of SMEs, empowering them to thrive in today's dynamic business landscape.

'ESG is not a mere corporate responsibility; It enables us to establish a robust, risk-adjusted framework, ensuring that our bank continues to generate long-term value for its stakeholders and society'

**Tamer Mostafa**  
Senior Director Business & Sustainable Development, aiBANK

### Mortgage Finance

In 2023, aiBANK signed a cooperation protocol with the Social Housing and Mortgage Finance Fund with the aim of providing financing worth EGP 800Mn to prospective homeowners. This protocol is designed to support the Fund's objective of providing real-estate financing for citizens in the limited and middle-income categories.



## Bedaya

Bedaya Mortgage Finance is Egypt's first non-bank mortgage provider offering digital mortgage financing facilities. The company offers seamless mortgage financing solutions for clients looking to purchase residential and commercial properties in Egypt. With the fastest turnaround time in the market and a seamless digital mortgage platform, Bedaya works with clients as true partners to deliver tailored mortgage solutions to its ever-growing client base. Bedaya was founded in 2019 as a joint venture between EFG Holding, GB Capital, and Talaat Moustafa Group.



Through its mobile application and online platform, it allows users to apply for one of Bedaya's numerous mortgage finance offerings seamlessly and rapidly. Users can calculate the expected cost of their mortgage, upload documents and pay fees. The application also includes a list of approved real estate projects that clients can choose properties from without having to provide supporting project-related documents. The same interface is available on the company's website as well. It is designed to be native to all devices to ensure accessibility through desktops, tablets, or mobile phones.

Bedaya's innovative online and mobile platforms are part and parcel of EFG Holding's strategy to offer a comprehensive, diverse range of non-bank financial services that fulfil unmet consumer needs.

## Investment Banking – Mortgage Finance

Through its Investment Banking Division, EFG Holding is committed to supporting innovative financial solutions that drive economic growth. The mortgage finance market is a key area where our expertise has paved the way for transformative advancements in the mortgage landscape. We continue to reinforce our role as pioneers in Egypt's debt capital market, advising on an extensive variety of securitization deals and garnering widespread investor interest. In 2023, we concluded advisory on two key mortgage finance deals: The second issuance for mortgage finance company Qasatli worth EGP 159.2 Mn and the first issuance for Egyptian Mortgage Refinance Company (EMRC) in a securitized bond offering worth EGP 472 Mn. The successful completion of these securitization issuances underscores EFG Holding's commitment to driving innovation and progress within the financial market and support financial inclusion by promoting accessibility for homeowners and prospective buyers.

## EFG Hermes One

EFG Hermes One places considerable emphasis on empowering women investors by raising awareness on issues such as financial literacy, money management and investment opportunities. In addition, EFG Hermes One also promotes an exchange-traded funds (ETF) with the theme 'Women in Leadership'. This theme was created with companies from the three regions: North America, Europe and Asia Pacific (developed markets) with a market cap larger than USD5 billion. The companies all have a larger percentage of women in executive leadership positions relative to other companies within their respective regions and builds on the research findings that firms



with high gender diversity on their board of directors have been more profitable than firms with less gender diversity and shows the financial advantages that gender-diverse companies have over their peers. This translates into risk for investors if companies struggle to make strides in inclusivity making ETFs such as this attractive for investors.

## Engagement

### Media Messaging

Our content is thoughtfully crafted to be inclusive of all cultures that we serve while ensuring that we maintain our neutrality and non-bias. We prioritize respect and inclusivity in our messaging, ensuring our audience feels acknowledged and valued. We also celebrate both genders equally. Beyond sensitivity, we celebrate the richness of diversity by acknowledging and respecting all beliefs. Additionally, we take pride in recognizing and honoring national days, fostering localization, and preserving the unique cultures of every country we engage with. We also practice social media listening and page moderation to make sure that we receive and respond to our clients' feedback. We work in alignment with our Compliance Department to make sure that we do not misuse or expose any client data and to ensure that we acquire all proper consent before communicating with them.

We also celebrate social occasions such as Father's Day and International Women's Day and highlight stories within our community of employees to promote a team spirit and create personal connections.







### Employees

At EFG Holding, we strive to be an employer of choice by providing employees professional and personal opportunities and experiences and the ability to shape and contribute to our company purpose, strategy, and performance. In addition to professional development initiatives.

### Talent Development

The Learning & Development team delivered 154 learning opportunities to 604 employees over 14,833 hours covering a wide spectrum of topics, including but not limited to, technical topics, leadership, mandatory requirements, professional certifications and qualifications, as well as sessions on information security awareness for senior staff in Egypt, the UAE and the KSA; BCP ISO walkthrough conducted by the Risk Management team; and other smart skills.

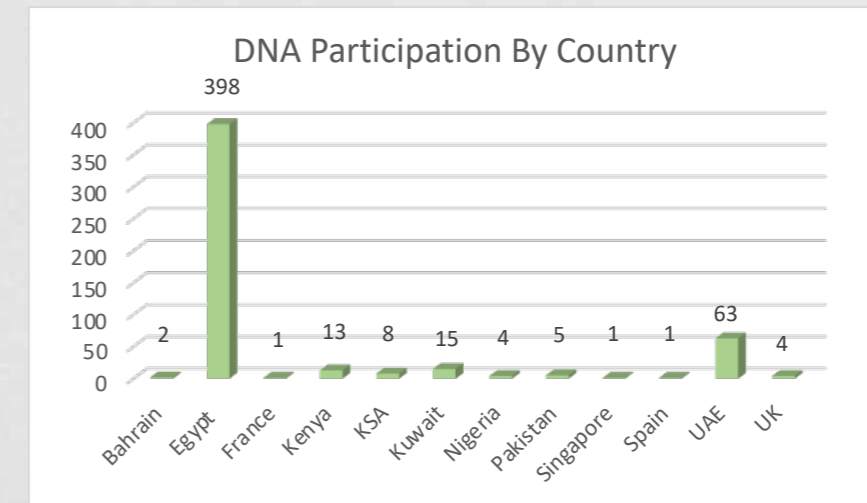
In our effort to remain responsive to changing requirements, we introduced new learning programmes and workshops like Leading Through Engagement and Coaching, Courageous Conversations, Conflict Resolution, Storytelling. This is in addition to our first virtual Investment Banking Programme which delivered over 160 hours by self-paced instructional videos and live virtual classes for 23 employees from Brokerage & Research from Egypt, the UAE, Kenya, and Nigeria with a completion date of May 2024. We also resumed in-class sessions for The Academy and completed the second module of the Executive Development Programme. We also continued to offer access to LinkedIn Learning.

### LEARNING & DEVELOPMENT HIGHLIGHTS - 2023

Number of Learning Opportunities	Number of Learning Hours	Learning Investment	Percentage of Employees	Number of Topics Covered
154	14,833	EGP 17 Mn	64%	139

\* Learning Hours excludes self-paced learning opportunities

In 2023, we automated the Development Needs Assessment (DNA) programme, facilitating the signing up for DNA sessions through a website providing each employee with their learning history, and facilitating approvals for managers. 432 employees participated in the DNA. To meet the diverse learning needs of our employees we also expanded our categories to include technology. The new technology track covers a range of courses, such as Power BI and Digital Transformation.



Team building was another area we delivered on; we held several activities across the year, including an activity in partnership with El Rehla for 16 senior Egypt-based IT team members conducted in Sharm El Sheikh. It aimed at engaging team members, providing space for networking, and strengthening interpersonal relationships between the participants. We subsequently held another team building for the full Egypt-based IT team in partnership with Logic Events with the aim of promoting trust, encouraging accountability, fostering commitment, and focusing on results. We also held our first team building activity for all Managing Directors (86).



### Dialogue in the Dark



#### Sometimes you must close your eyes and open your heart to see life from a different perspective!

In Ramadan 2023, the EFG Foundation collaborated with Dialogue in the Dark (DID), an entity that falls under Al Nour Wal Amal Association, to take EFG Holding employees on a unique journey. During the 3-week collaboration, employees were able to experience navigating in sheer darkness, while being guided by visually impaired individuals from the DID team. The initiative immersed them in a complete experience of various day-to-day activities and games, while relying entirely on the senses of touch, smell, and sound from an all-new perspective. The activities included art and crafts as well as physical and intellectual games, allowing them to realize the capabilities of those who are visually impaired and appreciate how they prevail over such hurdles in their daily lives.

DID has been making strides in awareness on visual impairment for over 27 years and is present across 41 countries throughout Europe, America, Africa, and Asia. Over a million individuals have participated in DID. EFG Foundation is proud to be opening its doors to this one-of-a-kind enlightening experience that not only broadened employees' horizons, but also created a sense of engagement within its community. As part of its partnership with EFG Holding, Al Nour Wal Amal Association joined the Firm's annual corporate Iftar with a performance by its renowned orchestra for the visually impaired.

### Volunteering

In 2023, EFG Holding held several blood donation drives to help overcome the national shortage in blood supply. The first was organized by the EFG Foundation in partnership with



with the Smart Villages Company and VACSERA at EFG Holding headquarters. Tanmeyah also organized a blood donation campaign for its employees at the company's head office in cooperation with the National Blood Transfusion Centre of the Ministry of Health, in a bid to spread awareness about the importance of blood donation in saving lives. The campaigns saw impressive turnout among the company's various teams.



### Promoting Health & Wellness

Several initiatives took place during 2023 to promote awareness of health issues among employees. The focus this year was on breast health and on promoting the importance of early detection in the timely diagnosis and treatment of breast cancer. Tanmeyah and the Baheya Foundation joined forces to organize an awareness campaign for Tanmeyah employees and launched a comprehensive awareness campaign on breast cancer across social media platforms. By spreading awareness, the company seeks to empower women with knowledge, encourage proactive health measures, and foster a supportive environment for breast cancer patients. aiBANK collaborated with the Moumena Kamel Foundation on a similar initiative. On the occasion of World Breast Cancer Awareness Month, aiBANK organized a workshop to raise awareness about early detection of breast cancer and teach employees how to do a self-examination.



In our commitment to employee well-being and work-life balance, we also carry out multiple activities, the latest of which was publishing a blog post dedicated to overcoming financial anxiety. In addition, we have also hosted yoga sessions at work. At EFG Holding, we prioritize our teams' mental and financial well-being, fostering a supportive environment where personal and professional growth go hand in hand.



## Community Outreach

EFG Holding considers it part of its core mandate to engage with and support the communities where it does business through approaches tailored to address their differing needs.

### Focus on Youth

Supporting youth entrepreneurship is vital for fostering innovation, driving economic growth, and reducing unemployment. Young entrepreneurs bring fresh ideas and energy, which can lead to transformative products and services. Initiatives that back youth entrepreneurship can empower the next generation with critical life skills like problem-solving, leadership, and financial literacy. Moreover, these programmes can inspire other young individuals to pursue their entrepreneurial dreams, creating a ripple effect that benefits entire communities. In 2023, EFG Holding supported several youth entrepreneurship initiatives.



In September 2023, Tanmeyah participated in the inaugural edition of the 'Business Ya Shabab' exhibition, held under the auspices of the Council of Ministers at the Cairo International Stadium at Pavilion B10. The primary objective of this participation was to empower 150 young artisans and entrepreneurs in small and micro-industries by offering a comprehensive selection of financing solutions tailored to their unique needs.

Kaf Insurance, valU, and EFG Hermes One came together in January 2024 to sponsor the Forbes 30 Under 30 Summit held in El Gouna, Egypt. The Under 30 Summit is an influential platform designed to foster a culture of innovation and entrepreneurship; empowering young professionals with the potential to drive the future of business.

## Financial Literacy

Financial literacy is a vital component of responsible citizenship. Informed citizens who understand financial systems, policies, and regulations can actively participate in shaping economic policies and advocating for their financial rights. They can hold financial institutions and policymakers accountable, leading to a more transparent and equitable financial system. Financial literacy also plays a crucial role in fostering entrepreneurship and innovation. Understanding financial concepts and strategies is essential for aspiring entrepreneurs to develop business plans, secure funding, manage cash flows, and navigate the financial aspects of running a business. Financially literate entrepreneurs are more likely to succeed, create jobs, and drive economic growth and innovation. These are just some of the reasons EFG Holding considers it a duty to promote financial literacy as a key component of its public engagement.



Through our investment platform, EFG Hermes One, we conduct regular and numerous in-depth financial literacy programmes designed to equip individuals with the knowledge and skills to make informed decisions about their personal finances, including budgeting, saving, investing, debt management, retirement planning, and assessing financial products and services. When people have a better understanding of these principles, they are more likely to make sound financial choices, identify potential risks and benefits, and ultimately contribute to economic growth, prosperity, and long-term financial stability.

## Social Initiatives

As part EFG Holding's commitment to corporate social responsibility, throughout 2023, there have been numerous initiatives to provide support for underprivileged communities in different ways. The EFG Foundation's commitment to fostering community and engagement, along with its dedication to social impact for its various stakeholder, was evident through the organization of various seasonal initiatives centred around Ramadan and Christmas.

In March, the EFG Foundation hosted a Ramadan iftar event in El Deir village in Luxor, the location of its flagship ISD project. The Iftar witnessed the attendance of approximately 2000 men and children within the marginalized community, with additional distribution of over 400 meals to

### EFG Hermes ONE

#### Financial Literacy Collaborations in 2023

- University Tours across Egypt
- 'Golden Opportunities: Navigating the World of Investments' at the Techne Summit
- AUC School of Business 'Finomics' Stock Trading Simulation

#### AISEC University events

- 3-day Workshop with TKH University
- EGX Summer Activation
- El Gouna Educational Workshop
- TEDx at Mansoura University



homes for female family members adhering and honouring the cultural norms of the hamlet. The event took place in conjunction with the annual village festival celebrating the areas rich cultural heritage.



Every year, EFG Holding employees participate in packing Ramadan boxes for those in need. This activity was mirrored at aiBANK where the aiBANK Foundation distributed food boxes for the most underprivileged families in Fayoum & Beni Suef governorates.

At Christmas, the EFG Foundation organized a Christmas 'Shopping with Impact' bazaar focused on featuring local vendors, as well as aspiring refugee entrepreneurs, providing valuable marketing exposure and creating direct sales opportunities to support small local business artisans in the handicrafts sector. Beyond economic assistance, the initiative contributed to heritage preservation, while also fostering awareness of eco-friendly products.



# 10. GOVERNANCE

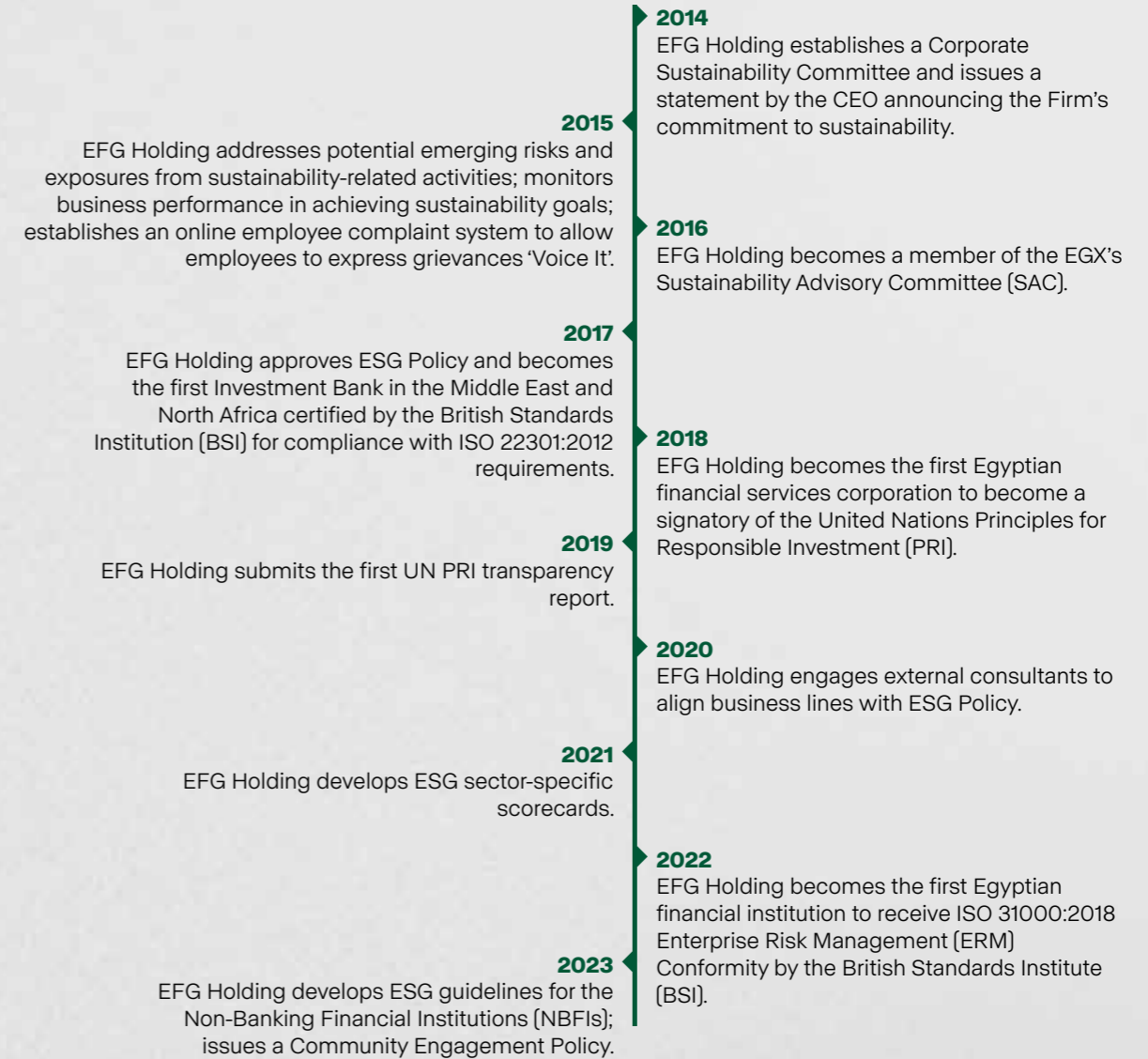


## GOVERNANCE

EFG Holding upholds the highest levels of corporate governance on the Group and subsidiary levels, with rigorous processes, policies, and procedures in place that ensure transparent and ethical running throughout the organization. The Firm's prudent management and governance frameworks that have been at the heart of its success over the years will continue to play a central role as the Group evolves.

We believe EFG Holding's robust governance and business practices help foster client and stakeholder trust and provide a foundation for success. ESG governance, encompassing our diversity and inclusion, climate, and sustainability efforts, starts with leadership from the top and is embedded across the Firm.

### Timeline of Governance Achievements



## The ESG Governance Structure

The Board of Directors is responsible for overseeing the Firm’s strategic direction and empowers the executive committee to supervise strategy implementation including the integration of ESG risks and opportunities. The Corporate Sustainability & Impact Department (CSI) is responsible for the development of specific ESG strategies, frameworks, and policies in cooperation with relevant departments and business lines. In addition, certain ESG oversight responsibilities are aligned with appropriate committees as reflected in the table below.

Board of Directors		
Executive Committee		
<ul style="list-style-type: none"> <li>- Consists of eight members appointed by the board who represent all divisions of the Firm.</li> <li>- Responsible for implementing all the board’s policy decisions and overseeing the Firms’ risk management structure and policies.</li> </ul>		
Corporate Sustainability & Impact Department (CSI)	Audit Committee	Risk Committee
<ul style="list-style-type: none"> <li>- Oversight of enterprise sustainability strategy, goals, and actions.</li> <li>- Oversight of all sustainability reporting requirements.</li> </ul>	<ul style="list-style-type: none"> <li>- Oversight of financial statements and financial reporting, internal control and governance systems, compliance with laws and regulations, whistleblowing and fraud concerns, the internal audit function, and compliance with the Code of Conduct.</li> <li>- Oversight of all controls &amp; procedures related to reporting of ESG data.</li> </ul>	<ul style="list-style-type: none"> <li>- Advises the board on risk appetite and tolerance in accordance with the Group’s strategic objectives as well as on risks associated with strategic acquisitions or disposals.</li> <li>- reviews comprehensive reporting on Group Enterprise Risk Management, including those related to ESG.</li> </ul>

This framework is complemented by a full suite of policies and statements outlining rights and responsibilities across ESG-related areas:

Policies	Statements
ESG Policy. Health & Safety Policy. Gender Equality and Gender Equity Policy. Human & Labor Rights Policy. Modern Slavery & Human Trafficking Policy. Child Labour Policy. Whistleblowing Policy. Sexual Harassment Policy. Information Security Policy.	<ul style="list-style-type: none"> <li>- Supplier Code of Conduct.</li> <li>- Statement on Climate Change.</li> <li>- Statement on Community Engagement.</li> <li>- Statement of Support for the Women’s Empowerment Principles.</li> </ul>

In addition, EFG Holding has established ‘Voice It’, an online employee complaint system to allow employees to express grievances (voiceit@efg-hermes.com)

## The ESG Integration Framework

EFG Holding is committed to fostering the integration of ESG policies across the Group to ensure the long-term sustainability of its operations. In this endeavour, and as a member of the UNGC and signatory of the UN PRI, EFG Holding prioritized developing the frameworks that allow us to best manage our risks and deliver on our ambitious growth strategies while maintaining our commitment to the sustainability of the environments we operate in and ensuring that our business practices are guided by ESG principles. Our approach to ESG integration and operationalization is comprehensive. Our ESG Policy clearly articulates our ESG themes, standards, and expectations and enables us to deliver on our ambition and our commitments. This policy is essential in setting the foundations of our approach to ESG integration and ensuring its cohesive implementation across our six business lines: private equity, investment banking, asset management, research, EFG Corp-Solutions, and EFG Finance, as well as recommendations for various support functions. These guidelines equip our investment professionals with the knowledge, procedures, and tools, needed to take active ownership of ESG integration.

Signatory of:



## The ESG Policy

Demonstrates the commitment and approach to ESG and responsible investment practices

### Private Equity

Develop Responsible Investment policy.

Incorporate ESG factors throughout all stages of the PE investment cycle for all existing and new funds/direct (co-) investments.

Engage with and monitor progress of individual portfolio companies and/or funds.

Demonstrate the value-add of ESG to investors and in preparation for exit.

### Asset Management

Develop stewardship policy.

Consider sector-specific ESG factors and financial market specificities and maturity at the due diligence stage for Equity and Fixed Income investments.

Enhance understanding of the risk profile of current holdings

Uncover opportunities through targeted engagement and stewardship that focus on material ESG factors with clearly defined objectives and protocols.

### Investment Banking

Incorporate material ESG risks and opportunities in the initial screening and due diligence processes and in the advice provided to clients.

Incorporate material ESG Factors in the overall client story for IPOs in an effective and credible way.

Reaffirm regional leadership position by continuing to pioneer new offerings for clients.

### Research

Pilot the incorporation of material ESG factors into Initiation of Coverage Reports as new companies in emerging and frontier markets are added.

Demonstrate in-depth market and sector insight into ESG risk and opportunities to strengthen competitive advantage in markets where such coverage is still nascent.

Reaffirm regional leadership position by continuing to pioneer new offerings for clients.

### EFG Corp-Solutions

Incorporate ESG factors across the credit approach, policy, and decision-making process.

Apply negative screening via the predetermined exclusion list to all potential investments.

Ensure customer reporting involves monitoring of material ESG risks, as determined by the screening process, where appropriate.

Include material ESG exposure risk in Risk Management policies to evaluate EFG Corp-Solutions' underlying asset exposure.

Allocate financial resources to support the incorporation of ESG factors across factoring and leasing services.

### EFG Finance

Adopt the ESG guidelines of EFG Holding related to pursuing investments where it is important to integrate ESG factors within the investment processes.

Incorporate ESG guidelines into written policy, including credit and risk policies, where possible to ensure potential investments are screened and assessed against material ESG risks.

Apply negative screening via the predetermined exclusion list to all investments.

Allocate financial resources to support the incorporation of ESG factors across services



## Stewardship Policy

In addition to pursuing sustainability as part of CSI, there is clear evidence that engagement by investors with companies on environmental, social and governance (ESG) issues can create shareholder value. EFG Holding sees engagement with portfolio companies as a key aspect of ESG integration. It is only through supportive and constructive dialogue with the management of investee companies that EFG Holding can exercise its stewardship responsibilities and encourage organizational change where warranted, particularly in cases where these concerns may affect the risk-return profile of investments. These engagements underscore the value of communication in creating a better flow of information and helps in the diffusion of knowledge on ESG issues and creating learning opportunities.

'Transient business models are being replaced by enduring strategies that incorporate ESG, thereby influencing critical facets of life such as health, livelihoods, and education, which in this age are no longer a luxury'

**Zeina Ghannam**

Sustainability Officer, EFG Holding

## Support for ESG Integration

The HR Department provides support for the implementation of ESG integration efforts through four key approaches:



### Prioritising ESG

Communicating to internal and external stakeholders that ESG is a key priority. This helps to instil a culture that values ESG, aligning expectations at all levels across the organization.



### Developing Skills

Cross-organizational programmes to identify areas of strength or weakness in terms of ESG knowledge and develop targeted training opportunities.



### Refining Strategy

Assessing employees' ESG performance to uncover the strengths and weaknesses of the ESG / sustainability strategy and help formulate updates.



### Taking Action

Ensuring ESG is a valued and monitored aspect of employee performance across all verticals and subsidiaries.

We also incorporate ESG themes throughout the content we generate. This involves direct messages such as focus on Earth Day or World Mental Health Day, but it also involves less direct approaches such as promoting financial inclusion or climate awareness in press releases for core business activities.

We also organise activations relevant to sustainability issues such as participating in the SDG Flag Campaign in cooperation with UN Global Compact Network UK or celebrating International Women's Day by recognizing and honouring the female Managing Directors at EFG Holding's Egypt office.



## Operational Resilience

Ensuring operational resilience is a key component of our commitment to our clients and stakeholders. The Firm's critical processes and businesses could be disrupted by events including cyberattacks, failure or loss of access to technology and/or associated data, conflicts, natural disasters, severe weather events, and infectious diseases. EFG Holding maintains an extensive programme designed to provide for operational resilience and enable it to respond to and recover critical processes and supporting assets in the event of a disruption.

## BUSINESS CONTINUITY & RISK MANAGEMENT

EFG Holding's Business Continuity Management System (BCMS) has been developed to help subsidiary entities systematically build their business continuity capability during and after an emergency, disaster, or crisis. The Group is committed to implementing effective business continuity management system as a critical component of successful corporate governance. Proactive plans have been adopted to ensure that critical business processes can recover and continue should a serious incident occur. Business Continuity Planning (BCP) Committees in each country are responsible for raising awareness of BCP ownership and communicating policy to staff. The Business Continuity Committee is also responsible for ....

'Our continuous focus on strengthening governance will reinforce the integrity and resilience of our firm, ensuring that we build today for a sustainable tomorrow.'

**Abdel Wahab Gadayel**

Group Chief Risk & Compliance Officer

- Coordinating the business continuity drills schedule with the BCP teams and ensuring delivery of appropriate training. In 2022, successful business continuity drills took place across all offices.
- Regular environmental scans and analysis of threats for the purposes of risk mitigation.
- Reviewing the structure and effectiveness of BCP and Emergency Response Teams.
- Reviewing the status of actions from previous management reviews.
- Providing recommendation and guidance for BCMS improvement.

For the past seven years, EFG Hermes has proudly maintained its ISO 22301 certification without interruption. In 2022, it became the first Egyptian financial institution to receive ISO 31000:2018 Enterprise Risk Management (ERM) Conformity by the British Standards Institute (BSI).

The international certification is proof positive of the Firm's commitment to ERM compliance as part of its goals to maintain resilience and maximize growth prospects across an ever-growing product and service portfolio and expansive geographic footprint. The certification bookends numerous successful ISO accreditations for the financial service powerhouse, with ISO 31000:218 being a globally recognized risk management standard that gives

practitioners a set of accepted best practices, principles, and methods to comply with. By verifying that EFG Holding operates an ERM system that is aligned with ISO 31000:2018, the certification reflects the Firm's success in expanding access to its financial services and growing the business in a stable, sustainable, and responsible manner, by upholding strict guidelines of ethics and governance.

## EFG Hermes is the first Egyptian financial institution to receive ISO 31000:2018 Enterprise Risk Management Conformity by the British Standards Institute (BSI)

### INFORMATION SECURITY

In 2023, EFG Holding earned the highest ISO certification for its information security management system (ISMS), underscoring the company's efforts to safeguard the privacy and security of customer and investor data. The ISO 27001 certification signifies EFG Holding's compliance with global information security standards regarding the confidentiality, availability, and integrity of stakeholders' information. The certification also means the company is applying best practices to protect sensitive data, prevent security breaches, and ensure compliance with legal and regulatory requirements, according to the statement. EFG Holding has established and maintains a management system to address all manner of information security risks on a group-wide basis. All companies under the EFG Holding umbrella follow the Group Information Security Policy and implement the stated information security management structure as their own.

Our dedicated Information Security team also introduced the Information security Awareness Programme in 2023. This is a powerful programme aimed at fortifying EFG Holding's digital defences and building a culture of heightened awareness of cybersecurity risks and safeguarding our digital infrastructure.



### Inclusion & Diversity

In 2021, EFG Holding committed to the Women's Empowerment Principles (WEPs), a set of principles that offer guidance to business on how to promote gender equality and women's empowerment in the workplace, marketplace, and community. Established by UNGC and UN Women, the WEPs are informed by international labour and human rights standards and grounded in the recognition that businesses have a stake in, and a responsibility for, gender equality and women's empowerment.



WEPs are a primary vehicle for corporate delivery on gender equality dimensions of the 2030 agenda and the United Nations Sustainable Development Goals. By joining the WEPs community, the CEO signals commitment to this agenda at the highest levels of the company and to work collaboratively in multistakeholder networks to foster business practices that empower women. These include equal pay for work of equal value, gender-responsive supply chain practices and zero tolerance against sexual harassment in the workplace.

### Regulatory Compliance



EFG Holding is compliant with all general regulations outlined by Egypt's Financial Regulatory Authority (FRA), as well as the FRA's regulations regarding ESG disclosures, which require responding to 51 indicators and questions across two types of disclosures: ESG indicators and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Our Compliance and Risk Departments consistently monitor our operations to ensure our compliance with all regulatory requirements, including those relating to ESG.

The firm implements many programs that reflect its commitment to the sustainability of the business sector through sustainable development and responsible investment. In addition to the commitment of the company and all its subsidiaries to the Environmental, Social and Governance Policy (ESG Policy), training was provided for the fourth year in a row to all employees on responsible investment, in addition to specialized training for the group's investment officials to include environmental, social and governance issues in the daily scope of business.

In 2021, the group submitted its third transparency report on all financial assets to the United Nations Principles for Responsible Investment UNPRI. EFG Holding and its subsidiaries are proud to have an investment portfolio in areas ranging from clean energy, education and healthcare to microfinance and technology, as these investments fall within the Sustainable Development Goals.

EFG Holding has strengthened its approach to environmental, social and governance (ESG Policy) by issuing statements on urgent issues, namely climate change, modern slavery and human trafficking, sexual harassment, child labour, gender equality and women's empowerment, in addition to the human rights and labour rights policy in The Group and the Supplier Code of Conduct. EFG Holding on behalf of all its subsidiaries, also discloses environmental protection, social engagement, and governance practices through its annual sustainability reports.

EFG Holding is committed to submitting a quarterly performance follow-up report to disclose its environmental, societal and governance (ESG) practices related to the Task Force on Climate-related Financial Disclosures (TCFD), As per FRA requirements apparent in decrees No. (107) and (108) published in 2021.

### Auditing

Auditing forms an integral part of corporate governance at EFG Holding. Both internal and external auditors play a key role in providing an independent assessment of the Firm's operations and internal controls. Furthermore, to

### Inclusion & Diversity

Women on EFG Holding board: 2 (16.6%)  
 Company chairperson: Female  
 Female percentage of workforce: 25%  
 Percentage of women at management level: 21%  
 Percentage of women in new hires: 36.62%  
 Percentage of promotions: 32%  
 Retention rate of female employees that took parental leave: 83.3%  
 Percentage of women on EFG Finance board: 25%  
 Percentage of Women on Corp-Solutions board: 22.22%  
 Percentage of Women on Tanmeyah board: 33.33%

'Our continuous focus on strengthening governance will reinforce the integrity and resilience of our firm, ensuring that we build today for a sustainable tomorrow.'

**Dahlia El Salawy**

Group Chief Internal Audit, EFG Holding

ensure independence, Internal Audit has a direct reporting line to the Audit Committee, a subcommittee of the board responsible for the oversight of financial statements and financial reporting, internal control and governance systems, compliance with laws and regulations, whistleblowing and fraud, conflict of interest, the internal audit function, and compliance with the Code of Conduct and other policies such as the ESG Policy established by management and the board. The committee ensures free and open communication between the committee members, internal auditors, management, and the external auditor on a quarterly basis. In 2023, the Audit Committee convened four times.

### ESG Integration within Subsidiaries

We also consistently support our subsidiaries and portfolio companies in developing independent and relevant ESG strategies, policies, and reporting practices that complement and mirror our corporate direction.

### FIM Partners' Commitment to ESG

**FIM Partners** is a signatory of the UNPRI and considers ESG integration an integral pillar of its investment approach. It applies a rigorous process of due diligence and engagement to develop a holistic view of the entire ecosystem surrounding investments and their long-term sustainability. In 2023, they continued to enhance their team's capacity regarding sustainability methodologies and regulations through annual ESG trainings and did a deep dive into material ESG issues that can potentially impact a company in the financial sector, including the importance of environmental risks, using two banks – one in Indonesia and the other in Egypt – to illustrate ESG policies and initiatives.

Signatory of:



The CFA Society's Pakistan chapter recognizes and awards outstanding financial institutions, corporates, and professionals on an annual basis. In 2022, the CFA Society introduced an ESG Reporting award for the first time which aimed at rewarding corporates for reporting on their sustainability policies and initiatives after a careful examination of their reports by a dedicated panel of experts. FIM Partners' Sustainability Lead, Maryam Mughal was invited to be part of the judging panel then, and again in 2023.

### The KAF Insurance ESG Framework

Kaf Insurance has published a comprehensive code of ethics policy as part of its ESG framework. This policy serves as a guiding compass, outlining the principles and values of responsible and ethical behaviour within the company. It not only promotes transparency and trust but also demonstrates a commitment to integrity, accountability, and sustainable practices, ultimately fostering a culture of responsible business conduct.

### The Vortex Energy Evolution

True to its core values, Vortex Energy abides by the belief that Sustainability and ESG are an evolution, not a revolution. It continuously strives to improve its practices through experience feedback and remain up to date with market and regulatory developments within jurisdictions of operation. This year has been a milestone for Vortex Energy's evolution, during which a deeper integration of ESG parameters within its investment and asset management processes occurred along with a revision of most policies. The unique framework developed operates on two levels: the overarching fund level and a more granular level within the investment process to ensure impact in every aspect of our operations.



The fund level defines the organizational direction and provides the overarching framework that guides implementation. the ESG Framework at the fund level is a circular process in constant evolution. Simultaneously, the investment process level corresponds to the integration of ESG factors into investment decisions, asset management and eventually in the exit opportunities.



By operating on these two levels, it is possible not only to focus on the big picture as an organization but also on implementing these considerations meticulously in portfolio companies, ensuring that sustainability is embedded in every facet of operations.

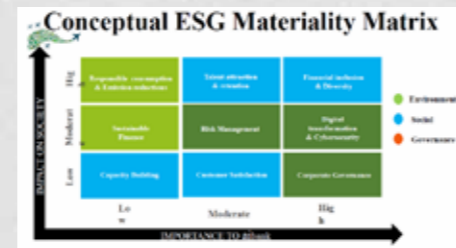


On the policies front, Vortex has internalized eight policies and four public statements from EFG Holding, adapting them to its operations and complementing its ESG Policy that was revised late last year. Additionally, Vortex commissioned five new policies that address the topics of biodiversity, sustainable procurement, waste management, human rights and ESG escalation. These developments were disseminated through live ESG training sessions for all employees.

## Sustainability at aiBANK

In 2023, aiBANK made notable progress in embedding ESG considerations into its fabric by formulating and implementing a comprehensive sustainability and sustainable finance strategy and complementary policies and procedures that reflect its commitment to environmental and social responsibility while addressing pivotal environmental challenges such as climate change and the development of a low carbon economy. To this end, aiBANK has updated its governance procedures and established a sustainability committee to oversee progress. The bank also promotes ethical business practices across its supply chain through a comprehensive code of conduct for its suppliers. These steps underscore how aiBANK is setting a new standard for responsible banking practices within the Egyptian banking sector.

To strengthen sustainability practices at aiBANK, a customized Environmental and Social Management System (ESMS) has been developed to integrate environmental and social risk assessments into lending operations, ensuring that financing and lending decisions are aligned with ESG requirements. By implementing materiality assessments, portfolio screening, and client due diligence, the bank actively engages with clients to promote sustainable practices and support their journey towards greater environmental and social responsibility. aiBANK is also a firm believer in empowering its employees to make informed and sustainable financial decisions through targeted awareness campaigns. Internally, the bank is committed to reducing its carbon footprint through a shift towards full digitalization and a commitment to paperless banking and resource conservation.



# 11. GEARING UP FOR THE FUTURE



## GEARING UP FOR THE FUTURE

At EFG Holding, we are proud of our sustainability journey. Over the past decade we have made considerable strides in embedding sustainability in our corporate DNA. However, we recognize that this is just a start. Financial businesses such as ours need to do more to close the gap between ambition and impact and balance near-term profit with long-term sustainable benefit.

We are a purpose-driven business that has committed to sustainable action while also fulfilling our duty to our shareholders. The sustainability transformation offers tremendous opportunities for growth. We have the capability to harness that growth and deploy our deep market experience to manage the inherent risk and build resilience and resistance to shock into our investments and into the communities where we do business.



[www.efghldg.com](http://www.efghldg.com)



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