

Sustainability Report 2019

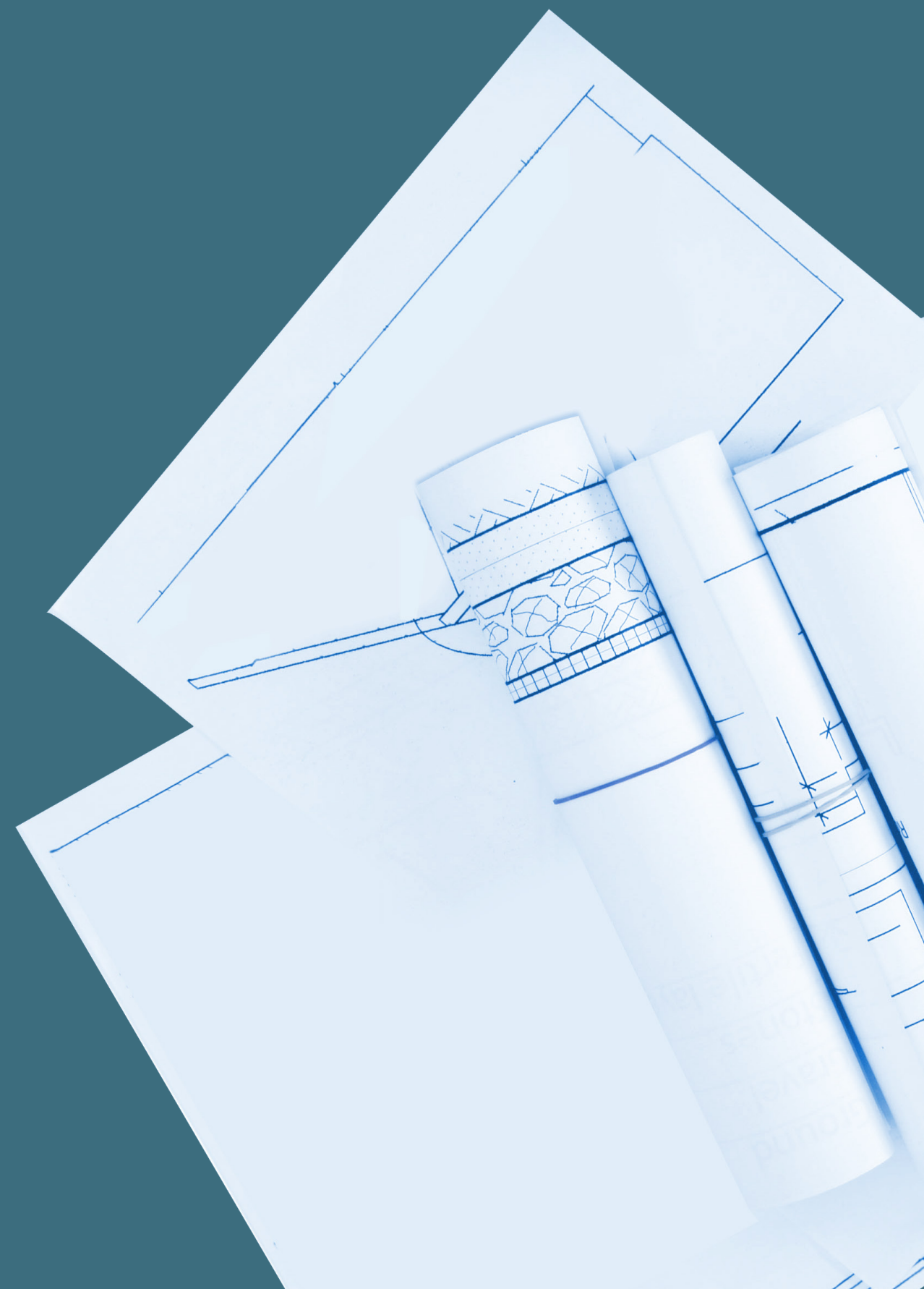


TODAY'S VISION FOR TOMORROW'S GROWTH

Signatory of:



Abbreviations	4
Chairperson's Foreword	8
A Note From Our CEO	12
EFG Hermes Today	16
Today's Vision: The ESG Ecosystem	20
Policy	24
Policy Evolution: Responding to Critical Issues	28
Governance	30
Human Capital	34
The Academy: Investing in Knowledge	38
A Global Outlook	40
Investment	42
Vortex: A Clean-Energy Future	46
Financial Inclusion: Financing a Brighter Tomorrow	48
Health & Education: Foundations of Sustainability	49
Society	50
Naga' El Fawal and El Deir: A Society Transformed	54
Education: The Building Block of Hope	55
Advocacy	56
EFG Hermes on the Global Stage	59
Tomorrow's Growth: Emerging Issues	60

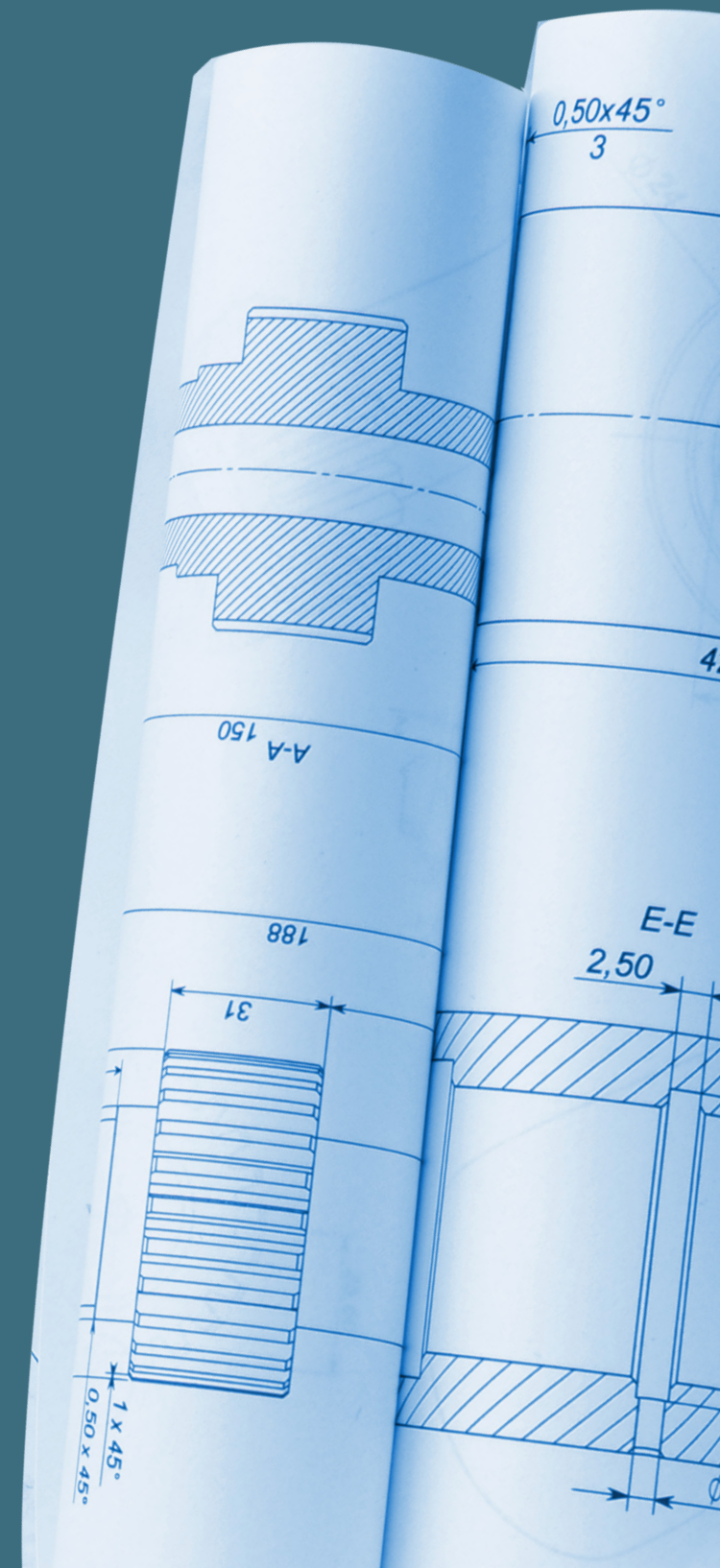


ABBREVIATIONS



Abbreviations

AUMs	Assets Under Management
CSR	Corporate Social Responsibility
DNA	Development Needs Assessment
ESG	Environmental, Social and Governance
FDI	Foreign Direct Investment
FEMs	Frontier Emerging Markets
GEMS	Global Education Management Systems
HR	Human Resources
NBFI	Non-bank Financial Instruments
RI	Responsible Investment
RxHM	Rx Healthcare Management
SDGs	Sustainable Development Goals
UNGC	United Nations Global Compact
UN PRI	United Nations Principles for Responsible Investment



CHAIRPERSON'S FOREWORD





Over its history, EFG Hermes has always been a pioneer among its peers, growing from a ground-breaking local Egyptian firm to one of the region's leading financial services corporations with a current footprint spanning thirteen markets across four continents. As we celebrate our 35th anniversary, we look to the future with optimism, confident in the knowledge that we have established solid foundations for future growth and internalized the skills and know-how necessary to face coming challenges.

Climate change is one such challenge, perhaps the most significant one facing our planet today. It poses severe threats to food security, coastal and rural communities, and economies as a whole. Many of the Frontier Emerging Markets (FEM) where we do business are particularly vulnerable to the risks such as water scarcity, increased soil salinity, and rising sea levels. Across the region, economic sectors, from agriculture and fishing to tourism and manufacturing, are all being forced to adjust to dwindling resources and harsh new realities. Not to mention the toll on human health and wellbeing.

Investors have become acutely aware of the impact of the climate crisis not only on their investments, but also on their long-term capability to create value. Today, the definition of value itself has changed: financial gain alone is not enough; investments must satisfy environmental, social and governance requirements in order to be considered viable.

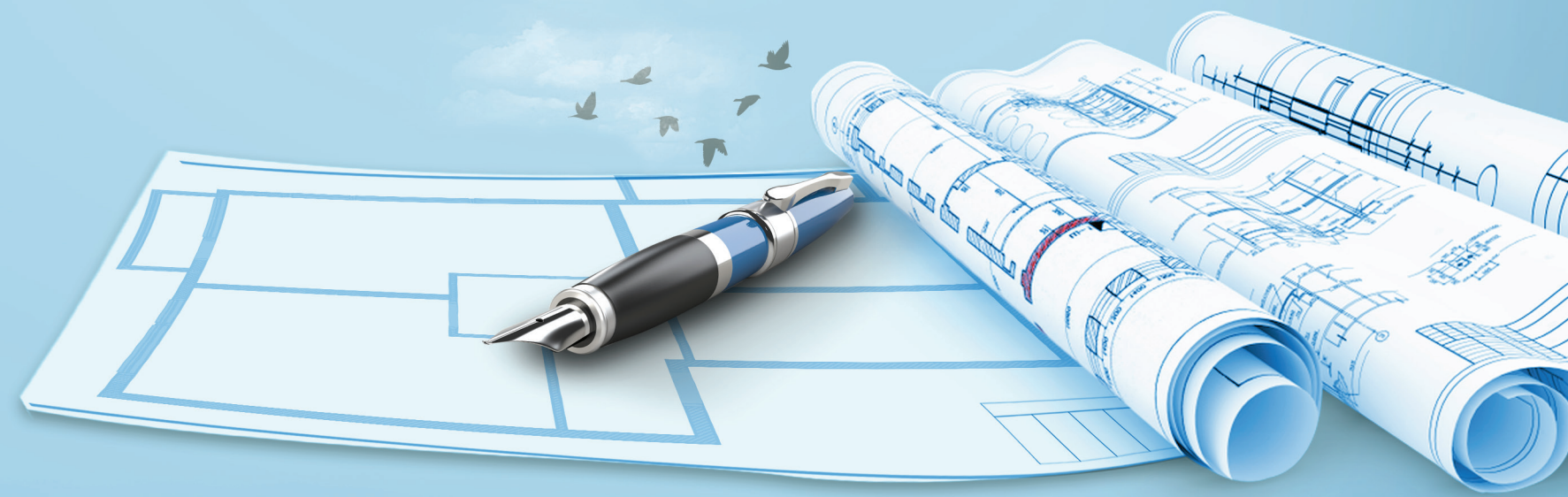
At EFG Hermes, we pride ourselves on our commitment to responsible investment as part of our overall goal to help achieve the Sustainable Development Goals (SDGs). In 2019, we expanded our focus to more specifically address the climate crisis by issuing a statement on climate change and identifying key areas of engagement across our activities. We also continue to advocate for responsible investment among our stakeholders with the objective of encouraging systemic change towards a more sustainable common future.

As always, I thank you for your continued support and I humbly present you with EFG Hermes' 2019 Sustainability Report.

Sincerely yours,

Mona Zulficar
Chairperson

A NOTE FROM OUR CEO





In 2019, I am proud to say that EFG Hermes has maintained its 35-year tradition of growth across its operation. Early in the year, we established on-the-ground presence in Nigeria to act as a West Africa hub and complement our East Africa base in Kenya. Further Asian expansions were added with Vietnam and Bangladesh. This level of growth and firm trajectory would never have been possible without a solid foundation and a healthy corporate environment. In tandem with our expansion, we have worked hard to ensure that our social responsibilities receive just as much attention. Over the years, we have steadily developed a robust environmental, social and governance (ESG) ecosystem to help achieve the SDGs and fulfil our responsibility as accountable corporate citizens.

On an internal level, we have paid particular attention to strengthening our policy environment, articulating two crucial statements this year, the first addressing climate change and the second, modern slavery and human trafficking. Both of these topics are of critical global importance, and we believe we have an important role to play in mitigating the risks associated with these issues.

In terms of governance, over the years, we have steadily increased our commitment to transparency and disclosure when it comes to ESG issues. In addition to our annual sustainability reports and our continued membership in the United Nations Global Compact (UNGC), in Q1 2019, we submitted our first transparency report as part of our commitment to the United Nations Principles for Responsible Investment (UN PRI), and we look forward to submitting the second in Q1 2020.

We pride ourselves on our dynamic, multicultural environment and our ability to attract and retain the best talent in the markets where we operate. We continue to make considerable investments in improving the professional

development programmes we offer our employees at all levels and particularly the Academy, which provides a superior learning experience for our middle and senior level management. This year, we also organized the inaugural Development Needs Assessment (DNA) to identify employee training needs and build a sense of ownership and inclusion among staff members.

As always, I am proud of our Foundation and the work it has carried out in Naga' El Fawal in Luxor this past year. We have opened the first Montessori preschool there serving 50 children and creating 30 employment opportunities for trained teachers. The preschool also serves 20 children with special needs and runs on clean solar energy. Additionally, we are renovating and upgrading 120 houses and providing them with access to clean water and sanitation services. This is part of our ongoing effort to provide the residents of Naga' El Fawal and its surrounding communities with a wide network of social services.

On the business side, we continue to provide training to our business lines on ESG issues, and we are proud to have assembled an investment portfolio that includes initiatives that directly feed into the SDGs. Our Vortex Renewable Energy platform, one of the largest renewable energy-focused investment managers in Europe, is currently expanding into global markets, with an aim to geographically diversify its clean energy footprint. We have also developed a series of products and services that aim to foster financial inclusion through a variety of Non-bank Financial Instruments (NBFIs) such as microlending, leasing, mortgage financing and Fintech solutions.

As our ESG ecosystem matures, we look to the future for sustainably driven growth firmly rooted in responsible principles and in delivering holistic returns that benefit society and maintain a balanced world for future generations.

I thank you for your continued support and invite you to consider our progress in this, our sixth annual Sustainability Report.

Sincerely yours,

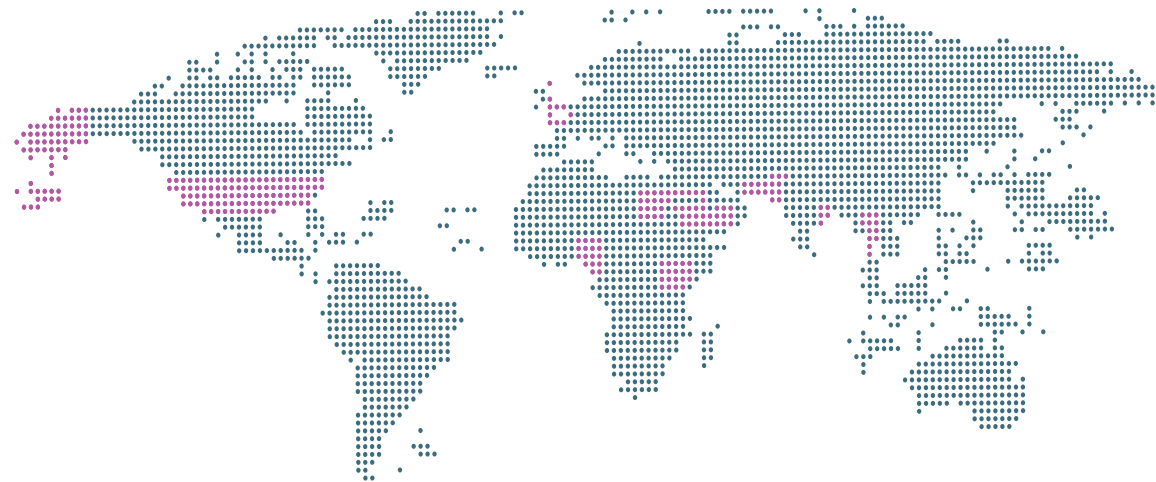
Karim Awad

Group Chief Executive Officer

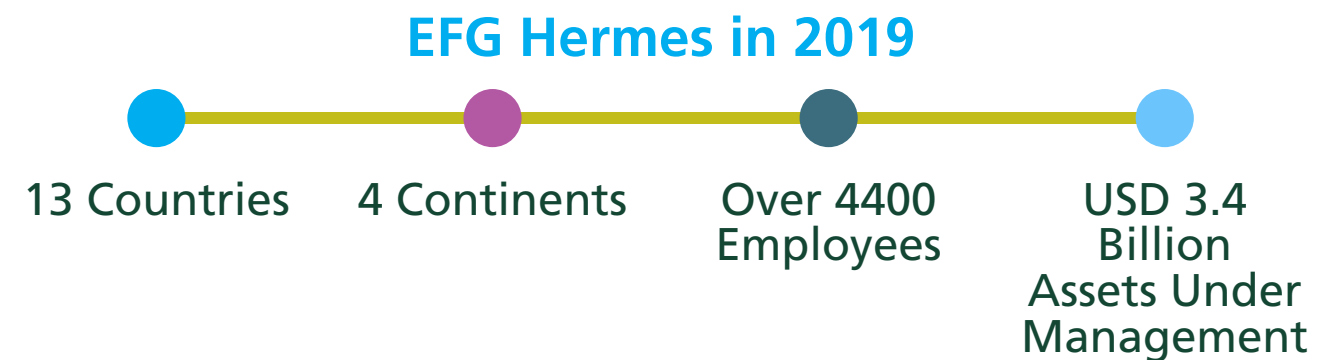
EFG HERMES TODAY



Since its establishment 35 years ago, EFG Hermes has transformed from a pure play investment bank operating across the MENA region into a leading financial services corporation with a diverse product range and a strong footprint in Frontier Emerging Markets (FEMs) across both Sub-Saharan Africa and Southeast Asia. In the past five years, EFG Hermes has expanded its geographical footprint and diversified its product offering to bring a constantly evolving portfolio of products to clients in some of the world's most rapidly growing markets in the MENA region, Sub-Saharan Africa, and Southeast Asia. The reshaping of the business was executed against a series of strategic objectives, from strengthening operations, expanding beyond the MENA region, growing its non-bank financial instruments (NBFI) platform, expanding its public and private assets under management (AUMs), and establishing merchant banking services.



As EFG Hermes has grown, so too have its responsibilities towards stakeholders. Four intrinsic values have governed our Firm since its founding in 1984: Leadership, Value Creation, Commitment and Integrity. It is our commitment to these values that has set us apart from our competitors by informing all aspects of our strategy and nurturing a culture of mindfulness, diversity and inclusion. The Six Ps of our strategy: People, Products, Positioning, Presence, Profitability, and Public Responsibility function as the key pillars supporting our operations and the yardstick by which we evaluate our performance every year. Our commitment to sustainability and to the Sustainable Development Goals (SDGs) is a primary component of how we approach 'Public Responsibility' and intrinsic to our vision of the future.



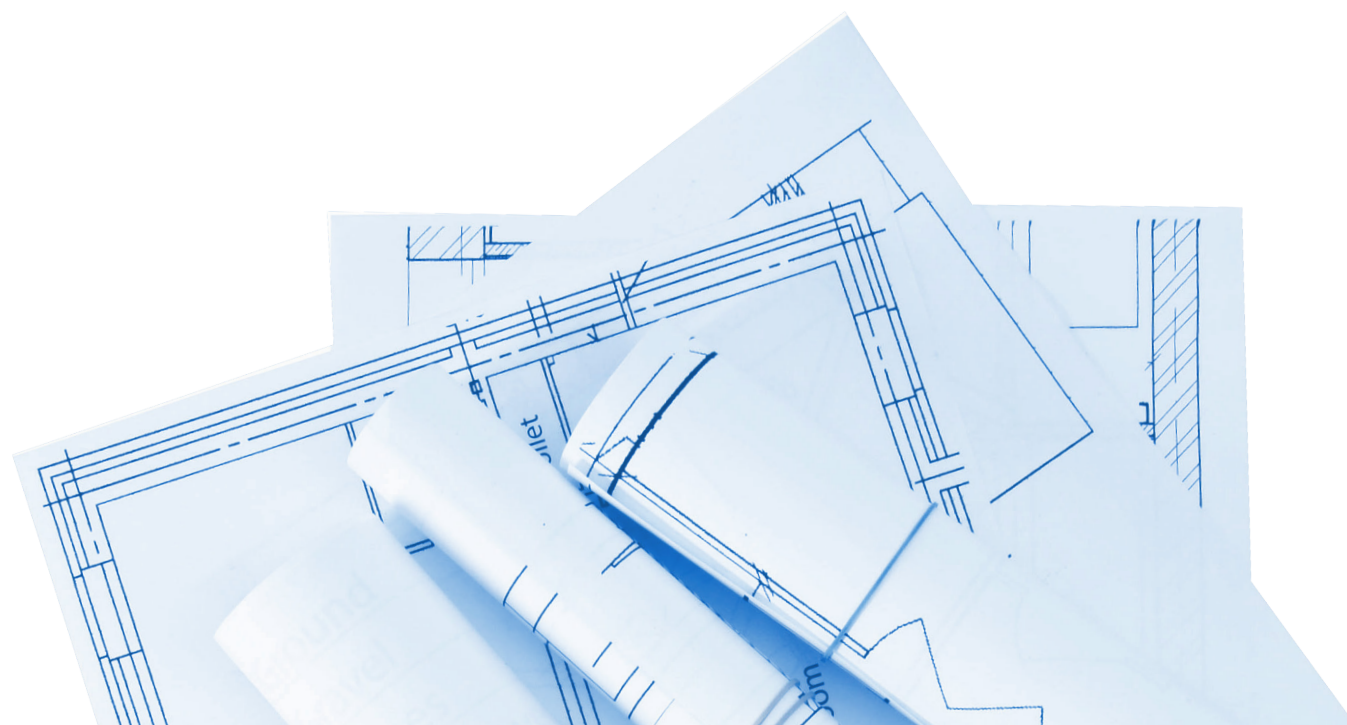
TODAY'S VISION THE ESG ECOSYSTEM



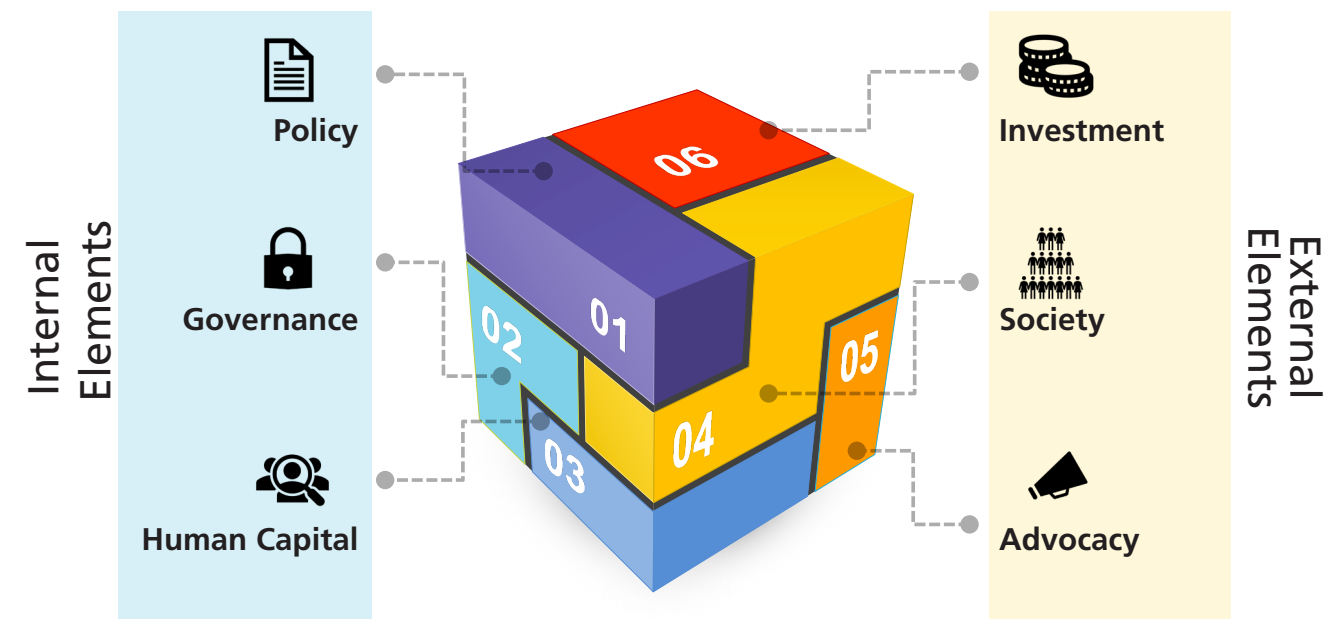
The ESG Ecosystem

Since articulating its Social Purpose in 2014, EFG Hermes has taken measured and consistent steps to integrate environmental, social and governance (ESG) factors in every aspect of its operation and create an ecosystem that supports the fulfilment of the SDGs. This ecosystem incorporates internal and external elements all interconnected and working together in a holistic multidisciplinary approach in pursuit of the common good.

The internal elements involve developing a policy environment that addresses all ESG-related issues underpinned by a culture of transparency and disclosure and best practices in corporate governance. In parallel, we invest in our human capital to make sure that there is an in-depth understanding of the critical nature of ESG considerations. On an external level, we approach ESG issues on three levels, responsible investment, corporate social responsibility, and advocacy among our stakeholders.



The ESG Ecosystem



Meaningful progress towards realizing the Sustainable Development Goals requires simultaneous effort on several complementary fronts.

POLICY



Not only does EFG Hermes maintain a strict and transparent policy environment, the Firm also prides itself on its agility in accommodating changing market and societal needs. This has been particularly vital given EFG Hermes' continued expansion into both new jurisdictions and product lines as well as in response to evolving global risks and circumstances. Policies are designed to complement each other, filling in gaps or addressing new concerns as needed. For example, in 2019, the existing Statement on Human and Labour Rights was augmented with an additional Statement on Modern Slavery and Human Trafficking to address rising global concerns. Similarly, a Statement on Climate Change was articulated to complement the existing ESG policy. All policies and statements are disclosed on the Firm's website and incorporated in monitoring and compliance protocols. An orientation package is available to give all trainees and newly hired employees a comprehensive view of all policies and operations.



The EFG Hermes Policy Environment

General policies

- Employee Code of Conduct
- Supplier Code of Conduct
- Environmental, Social and Governance

Labour policies

- 'Know Your Employee'
- Health and Safety
- Anti-discrimination

Business policies

- Staff Dealing
- Group Compliance
- Information Disclosure
- Business Continuity
- Whistle-blowing
- Proxy Voting
- GDPR Policy
- Anti-fraud and Corruption

Statements

- Statement on Climate Change
- Statement on Modern Slavery and Human Trafficking
- Statement on Human and Labour Rights

Policy Evolution: Responding to Critical Issues

Statement on Climate Change



EFG Hermes believes it is vital for financial institutions to make a firm commitment to the sustainable development goals and to the support of Climate Change mitigation efforts. Within this context, EFG Hermes has released a Statement on Climate Change and identified key areas of engagement:

Policy - EFG Hermes is committed to expanding its environment, social and governance policy, adopted in 2017, to more specifically address Climate Change considerations.

Investment - EFG Hermes is committed to expanding its responsible investments, particularly in the area of clean and renewable energy. We also aim to help our clients limit their exposure to environmental risk utilizing our exceptional research capabilities and our in-depth knowledge of Frontier Emerging Markets that may be environmentally and socially vulnerable.

Training - EFG Hermes is introducing training modules to help our investment professionals recognize climate risks and identify sustainable opportunities.

Operation - EFG Hermes is committed to increasing supply chain efficiency, minimizing the carbon footprint of our premises worldwide and expanding energy conservation efforts and recycling initiatives.

Advocacy - EFG Hermes is committed to promoting the implementation of Climate Change measures within the investment industry by engaging with peers, government agencies and the wider community. On an internal level, EFG Hermes continues to engage with employees to prioritize Climate Change issues.

Citizenship - EFG Hermes Foundation for Social Development is committed to incorporating Climate Change mitigation measures in its integrated development initiatives in rural Egypt and elsewhere.

Statement on Modern Slavery & Human Trafficking



EFG Hermes recognizes its responsibility to ensure that modern slavery and human trafficking and their associated outcomes, such as the laundering of illicit gains, do not take place within our sphere of influence. In 2019, EFG Hermes has articulated a corporate Statement on Modern Slavery and Human Trafficking and has identified key areas of engagement:

Labour - EFG Hermes believes that protecting the rights of its employees is of vital importance and has articulated two statements to complement its existing policies: A Statement on Human and Labour Rights affirming compliance with the laws and regulations of the countries we operate in and a Statement on Health and Safety which aims to fulfil all corporate and legal health and safety responsibilities. EFG Hermes also ensures all salaries fulfil legal minimum wage requirement in all the countries we operate in.

Compliance and Risk Management - EFG Hermes believes that having sufficient information about our clients is the best way to minimize the Firm's risk of being used for illicit activities such as the processing of funds gained from human trafficking or modern slavery.

Supply Chain - EFG Hermes' Supplier Code of Conduct requires its suppliers to uphold all applicable laws and regulations regarding labour and human rights, health and safety, environmental protection, and ethical practices wherever they make products or perform services for EFG Hermes.

EFG Hermes is also committed to mitigating the socio-economic factors that may trigger vulnerability to human trafficking or modern slavery via two lines of attack: its corporate social responsibility activities implemented through the EFG Hermes Foundation for Social Development and financial inclusion initiatives such as its subsidiary Tanmeyah Microenterprise Services, Egypt's leading private-sector microfinance provider.

GOVERNANCE



Our leading position in the area is a direct result of the rigorous guidelines and procedures across our operation and the value we attach to good governance. Having a robust framework for governance has helped us manage risk and achieve efficient growth and financial stability even as we continue our expansion into new geographies and launch a new roster of products and services. Auditing forms an integral part of corporate governance at EFG Hermes. Both internal and external auditors play a key role in providing an independent assessment of our operations and internal controls. Our Auditing, Compliance, Risk and Human Resource (HR) Departments consistently monitor our operations to ensure adherence to the regulatory requirements of the markets where we operate and the integration and of new policies and benchmarks.

Our commitment to the United Nations PRI and our submission of the first report has also necessitated an expansion of the kind of data we monitor to integrate ESG factors and maintain the same level of transparency and accountability that we pride ourselves on throughout our operation. New statements that we have enacted, such as those on Climate Change and Modern Slavery and Human Trafficking, have also been accompanied by a review of our current procedures to ensure that our practices mirror our commitments at all levels.



Focus on ... Transparency

EFG Hermes realizes the importance of reporting on sustainability issues and has been gradually increasing its commitment to monitoring and disclosure on ESG progress. From our initial commitment to the United Nations Global Compact in 2011 to our signing of the United Nations Principles for Responsible Investment in 2018, we have been taking steady and determined steps to improve transparency on ESG factors.

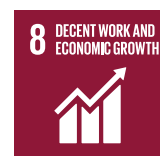


HUMAN CAPITAL



As EFG Hermes continues to expand into new markets, we realize the importance of adapting our human resource processes at a faster pace. Our dedicated and skilled Human Resources team - which boasts seven SHRM Certified HR Professionals - works on a number of fronts to keep pace with growth and business expansion while simultaneously creating a welcoming and supportive work environment for the Firm's employees.

Simultaneously, the HR team has fast-tracked digitization of key employee services to streamline HR functions and make things easier for employees in diverse locations. On another level, HR continues to fine-tune its flagship professional development programme, The Academy. Tailored training programmes on critical issues such as ESG integration are also offered to ensure that employee skills are consistently in tandem with evolving business needs.



First Development Needs Assessment

The Firm's inaugural Development Needs Assessment (DNA) Open House event took place in April 2019. This annual initiative invited all employees to speak to us about their, and/or their teams', learning and development needs for the year. The event also incorporated short and informative smart sessions which covered various talent development topics. A total of 165 employees participated in this event.

Agility

We continuously adapt our processes to better support evolving business needs. Increased digitization of HR functions is a key part of this to effectively support an employee base spread over a wide global footprint.

Inclusion

We collaborate with local teams to understand the workings of each market and the cultural norms and develop localized policies and procedures that complement our core values and tenets. Team-building activities are also held to encourage a spirit of collaboration among teams in diverse locations.

Development

We believe that providing personal growth opportunities through professional development programmes such as the courses offered by the Academy or specialized training on topics such as ESG is vital for long-term growth and value creation.

The Academy: Investing in Knowledge

EFG Hermes’ employees are the key drivers of the Firm’s success, and we pride ourselves on being able to promote from within our own talent pool. Their diligent work ethic and tireless dedication have built EFG Hermes into the regional powerhouse that it is today and capture new growth opportunities in emerging and frontier markets across the globe. Competition among financial institutions in the region is high. Our HR Department is responsible for ensuring that we remain a competitive employer in all of our markets through innovative ideas to attract, develop and retain talent at all levels of our operation.

The Academy, launched in 2018, is EFG Hermes’ flagship employee development platform. The Academy uses a blended learning approach that includes classes, workshops, discussions, reading circles, and on-the-job activities to deliver effective learning tailored to various stages of employees’ careers within the Firm. Each level of The Academy equips employees with the knowledge and competencies needed to lead positive transformations within their divisions, thrive in their careers, and shape the Firm’s future success. Currently, four levels are available. In 2019, 63 employees from Egypt, Kuwait, KSA, Oman and the UAE participated in The Academy courses.

63

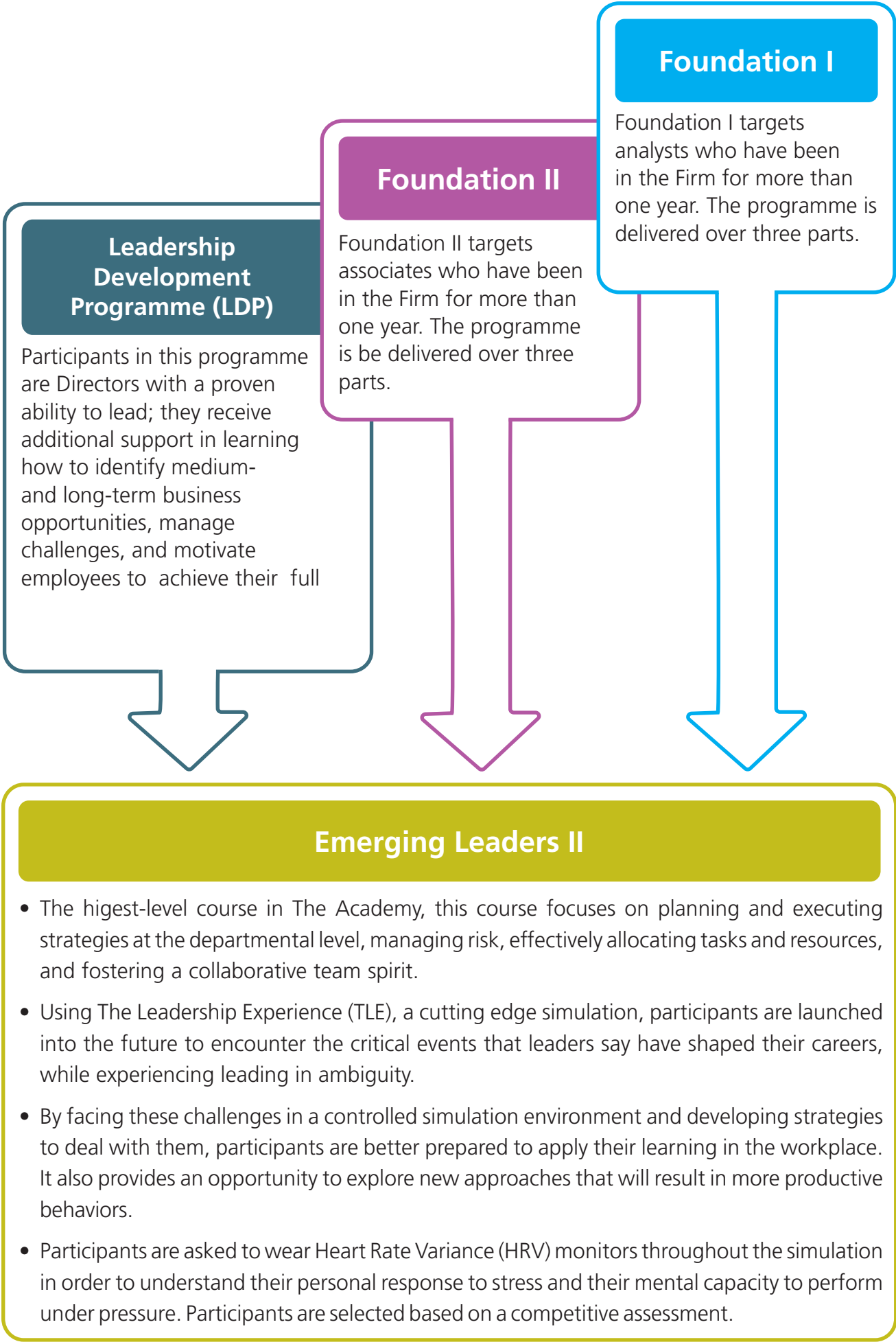
Participants

3

Locations

1542

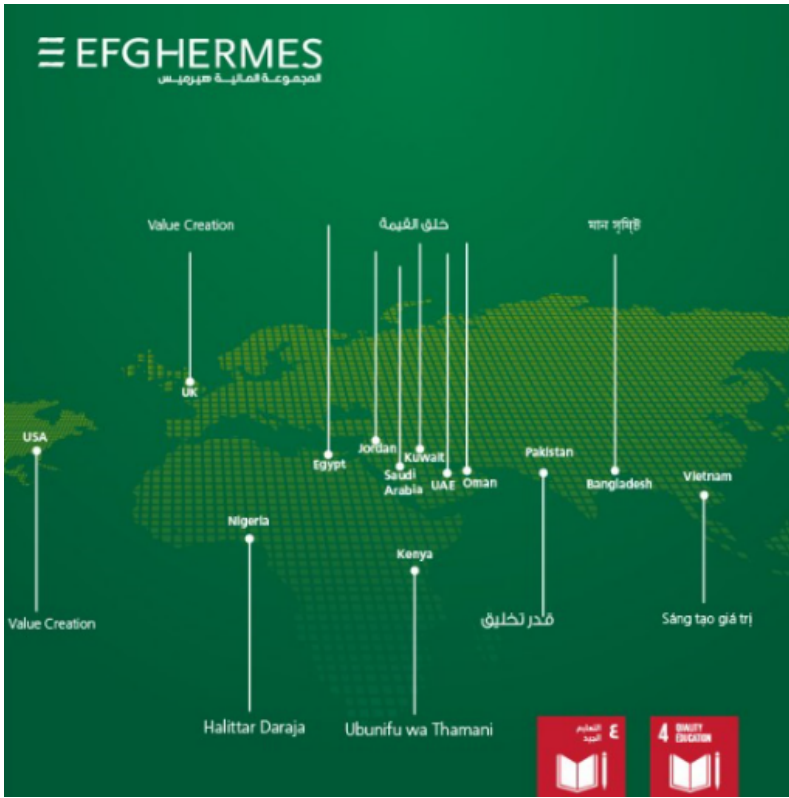
Training hours



A Global Outlook

Now that EFG Hermes has a footprint in 13 countries, the team has become increasingly multicultural. One of the key areas that has seen extensive focus from HR is the need to understand the different norms, cultures and regulations in diverse geographic locations across four continents. The HR team has made a remarkable effort to review and enhance policies and procedures to reflect both the unique aspects of different geographies and the core tenets of EFG Hermes' identity. Teambuilding events and exercises as well as localized onboarding packages have also been developed to encourage a sense of ownership and inclusion.

At EFG Hermes we celebrate individuality and encourage those who have a passion for their work, as well as activities away from their desks. Short segments and stories are broadcast on the Firm's social media to introduce team members in different locations, promote inclusion and ownership, and celebrate the benefits of a multicultural and diverse working environment.



Wambui Mimano, Avid adventurer & IT Operations Engineer, Kenya Office



Hala Salib, Passionate YWCA Volunteer & Project Director, EFG Hermes Foundation



Joram Ongura, Muammar Ismaili, Environmental Activists & Associate VP -Trading Desk & Reserach, Kenya Office



Ahmad Moussa, Desert Explorer & Sustainability Officer, Egypt HQ

INVESTMENT



In October 2019, 27 Investment Professionals from EFG Hermes' business lines (Asset Management, Investment Banking, Research and Private Equity) in Cairo and Dubai attended a two-day Advanced ESG Training workshop. The aim of the workshop was to provide in-depth training on Responsible Investment mechanisms and highlight the different approaches available to incorporate ESG considerations into traditional investment analysis. The workshop generated a highly fruitful discussion on the unique challenges facing each business line for ESG integration and yielded useful criteria for increasing the level of ESG analysis, particularly in the social and environmental fields which typically receive less focus than good governance, a cornerstone of EFG Strategy since its founding. The discussion also served to highlight the prominence of ESG issues for global investors and underlined the fact that, going forward, ESG integration needs to be prioritized in order to access funds that increasingly look for responsible investment in all areas. EFG Hermes' adherence to the UN PRI was considered a key regional advantage for the Firm in demonstrating commitment to ESG issues and creating investment opportunities.



Key Takeaways

- ESG integration has become a priority for institutional investors at the global level.
- Responsible Investment involves making informed choices and setting priorities based on sound research.
- Neglecting ESG issues opens up the Firm to considerable risk.
- A key challenge is the lack of reliable data on ESG issues.
- A second challenge is that ESG issues are still not prioritised in FEMs making it necessary to tailor interventions to local circumstances while still adhering to global standards and expectations.
- In the short-term, RI may be challenging in terms of returns; however, there is no other choice if long-term value creation is the overall objective.

“The ESG due diligence process has to start early when we evaluate investment opportunities for our clients. Frequently, there are problems that can completely derail the process if we discover them too late.”

Omar El Shafey
Vice President
Investment Banking



“When we try to attract Foreign Direct Investment (FDI), we showcase our achievements on ESG, particularly the UN PRI. Our portfolio is mainly in Europe so we can't ignore these issues.”

Ahmed Al-Ariki
Associate Director
Private Equity



“Exclusions are only the first step; it is the dedication to ESG integration which makes the difference.”

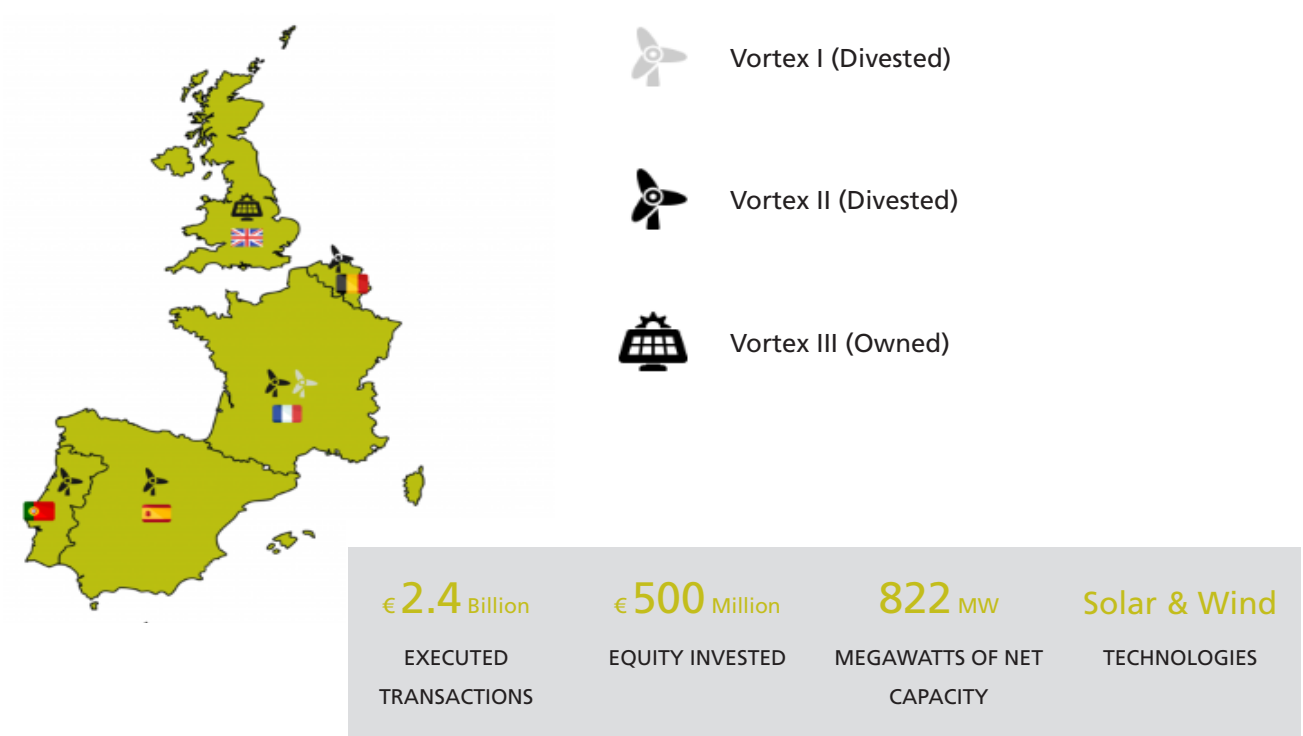
Mohammed Ali Hussain
Head of Research
FIM Partners



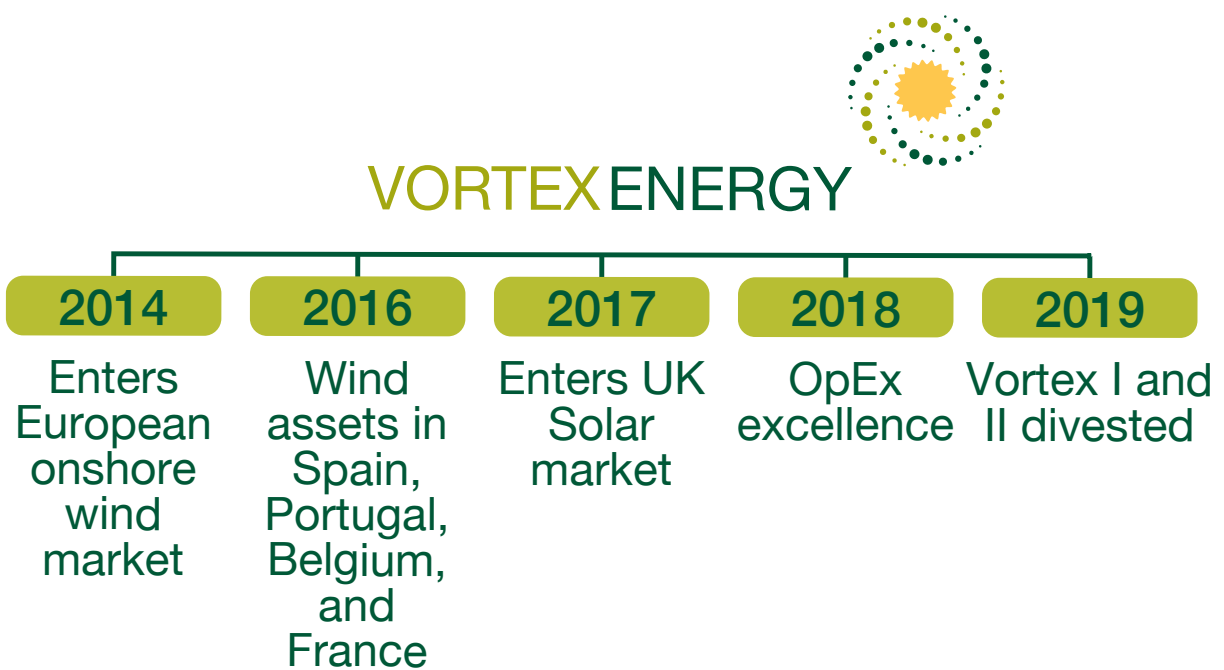
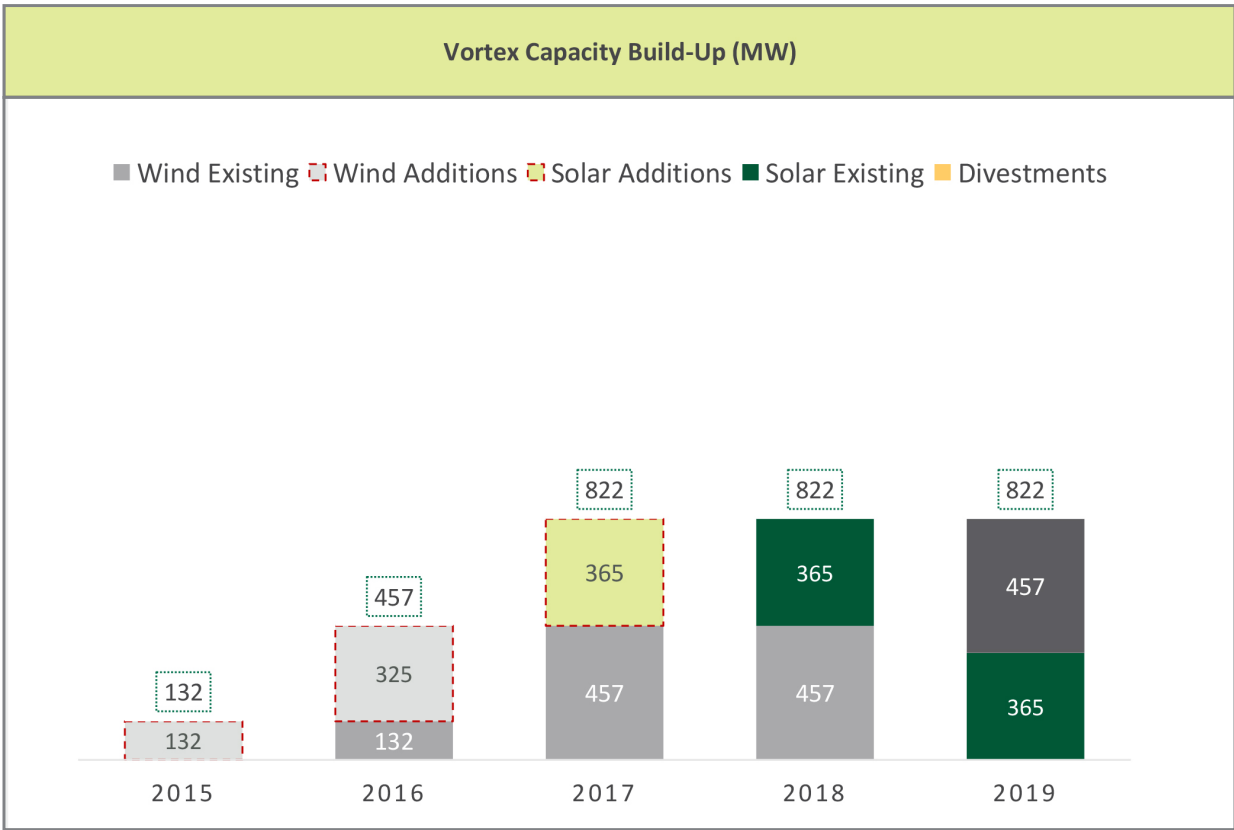
Vortex: A Clean-Energy Future

Managed by EFG Hermes' Private Equity, the Vortex Renewable Energy platform, one of the largest renewable energy-focused investment managers in Europe, is currently expanding into global markets, with an aim to geographically diversify its clean energy footprint.

Vortex has successfully executed transactions worth ca. EUR 2.4 billion in the European renewables market since 2014. Vortex was able to close three investments, one divestment and three debt re-financings since inspection. Vortex acquired 457 MW of wind assets from EDP Renováveis SA across four Western European jurisdictions and acquired 365 MW of solar assets from TerraForm Power in the United Kingdom, and recently, divested its wind portfolio in 2019 to J.P. Morgan Asset Management.



The Solar PV transaction was valued at an Enterprise Value of ca. GBP 470 million and comprises 24 operational assets, representing one of the largest portfolios of solar PV in the United Kingdom. Vortex has continued to outperform investment targets in terms of electricity generation and financial performance across the years, demonstrating the attractive financial returns possible on sustainable and responsible investment.



Financial Inclusion: Financing a Brighter Tomorrow

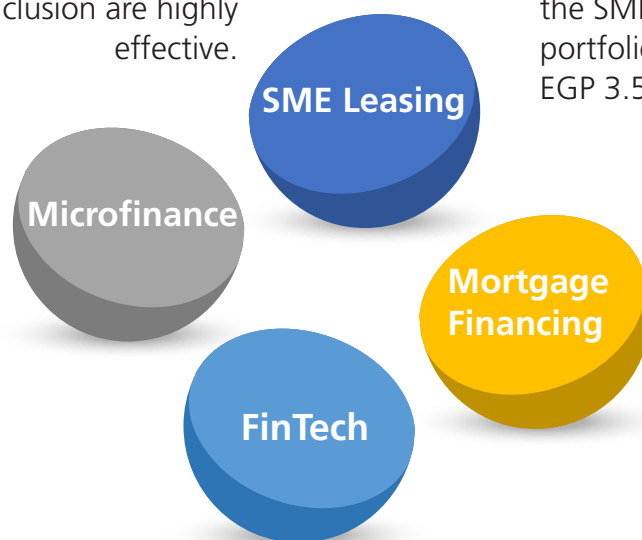
Financial inclusion aims to help people access financial services that meet their needs at affordable prices. EFG Hermes has developed a series of products and initiatives that aim to realize financial inclusion at different levels through a variety of mechanisms including microlending, leasing, mortgage financing and Fintech solutions.



Tanmeyah Microfinance, one of the country's largest micro lenders, celebrated its 10th anniversary in 2019. With 271 branches and new products such as group lending, designed specifically to help women, Tanmeyah's efforts to promote financial inclusion are highly effective.



EFG Hermes Leasing has created an EGP 225 million grant facility for SMEs in conjunction with the Saudi Development Fund of which 37.5 million is directed to SMEs located in remote governorates and another 37.5% is directed to the agricultural sector. This brings the SME component of the Total portfolio to 16% of a total of EGP 3.5 billion in 2019.



A landmark partnership with the Saudi Development Fund and the Ministry of Investment and International Cooperation saw the award-winning Fintech solution finance cars for Uber drivers with Swvl to follow in 2020.



A mortgage finance joint venture with TMG and GB Capital to offer unrivalled mortgages with fast turnaround time and improve access to affordable housing.

Health & Education: Foundations of Sustainability

FG Hermes Private Equity manages two ground-breaking funds, the Egypt Education Fund and Rx Healthcare Management, designed to address critical gaps in the areas of education and healthcare, both of which are vital to the fulfilment of the SDGs.

Rx Healthcare Management

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, MENA and Africa. In 2019, RxHM acquired leading Egyptian medical solutions provider United Pharma with the aim of helping to expand the company's product offering to cover generic categories in underserved therapeutic areas and ramp up production for IV products.



Egypt Education Fund

In 2018, EFG Hermes Private Equity entered into an exclusive partnership with Global Education Management Systems (GEMS), one of the world's leading providers of private English-language education for students from kindergarten to twelfth grade (K-12), to jointly establish a new USD 300 million platform focused on Egypt's underserved K-12 education sector. The partnership aims to provide high-quality education choices for Egyptian families by building Egypt's largest institutional education service provider, upgrading education facilities and providing safe and effective learning environments. In 2019, the Fund acquired a majority stake in the leading transport provider, Option Travel to provide a high quality and competitive student transportation service to c. 6k students currently enrolled in GEMS schools in Egypt.

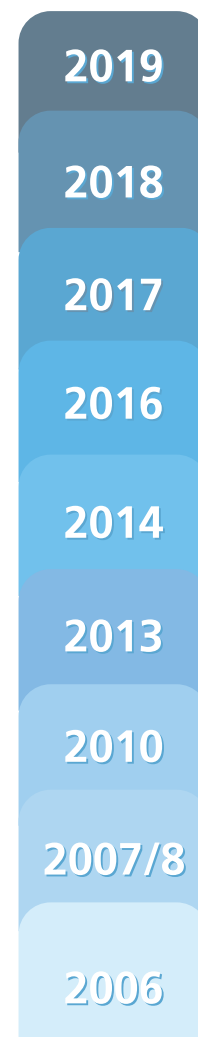


SOCIETY



The EFG Hermes Foundation for Social Development assists people and institutions overcome the financial, educational and health-related challenges facing our society. It aims to make a positive change in local communities by supporting innovative and sustainable programmes that increase the opportunities for those most in need. Since its establishment, the Foundation has adopted a sustainable integrated development approach as the most effective means of maximizing both impact and return on investment of scarce development funds. Partnership is a key tenet of the Foundation's approach and each project brings together partners from both public and private sectors, donors and civil society in synergistic that have tangible, measurable impact on both communities and individuals.

The EFG Hermes Foundation: From Strength to Strength Over 500,000 beneficiaries and counting



Related Sustainable Development Goals:



Delivery of the health unit, preschool and first phase of rebuilt houses in Naga' El Fawal and El Deir.

Launch of the EGP 70 million Naga' El Fawal and El Deir Village Integrated Development Project in Luxor Governorate.

Delivery of Al-Makhzan Integrated Development Project in Qena Governorate with 20,000 beneficiaries.

Launch of initiatives such as medical convoys, awareness campaigns, youth education grant facilities and NGO support.



Chief Executive Officer of the EFG Hermes Foundation and Head of CSR Hanaa Helmy is recognized by the UNGC as one of 10 SDG Pioneers.

Conclusion of the HBV University campaign successfully vaccinating over 15,000 students.

Delivery of the first Integrated Development Project, the EGP 30 million Ro'ya Project in Ezbet Yacoub, Beni Sweif Governorate and adoption of the integrated development philosophy as the most effective means of sustainably and positively impacting lives.

Establishment of the EFG Hermes Foundation with a focus on Poverty Alleviation, Disease Prevention & Youth Development.

Naga’ El Fawal and El Deir: A Society Transformed

The Naga’ El Fawal and El Deir Village Project typifies the Foundation’s collaborative sustainable integrated development approach, but it also prioritizes tangible impact on individual lives. The initial gap analysis for the project highlighted high poverty and unemployment rates, limited access to healthcare, poor housing conditions, inadequate infrastructure, a dearth of educational opportunities, and little hope for the future. The Foundation takes a very personal approach to development: if a project cannot sustainably improve lives, both in the short-term as well as the long-term, then it is not fulfilling its goals. The aim is not just to build structures, but to make sure that these structures fulfil the needs of those living and working there and to allow them to dream of a brighter future.

A new house, a new lease on life: Noura – Housing beneficiary



‘I can’t believe I have a house with proper walls, a roof and privacy. The boys and the girls are separated, I have a place to greet guests, and I have my own room. I never dared to dream of any privacy.

Before, we didn’t have a sewerage system; we’d just dump the dirty water out on the streets. It was such a headache between the neighbours. We were always quarrelling. Now, we don’t have any problems. Thanks to the new sanitation system, our lives are calm.

My son goes to the new preschool; I can clearly see the difference in educational standard compared to his older siblings. I really wish they had had the same opportunities. A child born into a clean and healthy environment like this will live up to his surroundings. I feel human; I never expected to feel this happy.’

NAGA’ EL FAWAL AND EL DEIR PROJECT AT A GLANCE

EGP 70 million investment

5 partners

20 houses rebuilt and delivered (Phase I)

Clean water and Sanitation system

Health unit completely refurbished

Brand new preschool

Education: The Building Block of Hope

September 2019 saw the launch of El Deir Village preschool, the Young Scholars Academy. The preschool provides quality education and social skills unavailable anywhere in the vicinity and equips 70 children with a solid base that will allow them to thrive as they follow their educational path. Teachers at the Young Scholars Academy have been receiving training on the Montessori philosophy in early education since August 2017. The preschool also offers a special programme catering to 20 children with special needs. Four out of the 20 children with special needs are joining their colleagues in the Montessori classrooms to prepare them for future public-school enrolment. The preschool has successfully created 27 sustainable jobs, 23 of which are teaching positions.

Pride in teaching: Doaa – Montessori teacher



‘Before the preschool opened, children younger than 6 were either playing on the street or placed in nurseries where they learnt nothing. When it came to be time for them to start school, they had absolutely no skills and couldn’t cope with the transition. Here at the preschool, we’re equipping them with social and pedagogic skills, and they are more than ready for school.

I’ve benefitted a lot from the training. Working with the children and gaining this experience has been a revelation. I don’t think there’s a better job than raising a generation. I look at these children and I’m so proud of them, and I look forward to seeing what they’re capable of and having a small part in their success.’

Rapid improvement: Mohamed, father of Omar – special needs student

‘My son is 11 years old. He has speech and development handicaps. I used to take him to a special centre in Luxor. We went for an entire year and never saw any improvements. He’s been coming to the Young Scholars Academy for two months. The improvement is tremendous. I almost can’t believe it. The teachers have really helped with how he articulates words. He has also gained some social skills. It encouraged us to go online and try to understand how the Montessori system works so that we can support the work being done at the preschool. I wish the project could be expanded to build a primary school so that the children can continue their entire education within this system.’



ADVOCACY



It has always been EFG Hermes' policy to engage with peers, policymakers, community members and regulators to promote good governance, responsible investing and environmental and social stewardship. In 2019, the Firm continued to advocate for sustainability through a number of channels. These include the annual signature conference series, the One-on-One in Dubai and the London Conference in the UK, where EFG Hermes actively promotes strategic partnership and investment, building both on its experience and its commitment to sustainability. The conferences bring together fund managers, institutional investors, government representatives and companies in a setting that allows all partners to understand the other's needs and capabilities and work together towards fulfilling development goals. These forums are particularly important in highlighting the opportunities and challenges of investing in FEMs.



EFG Hermes on the Global Stage

The Aswan Forum for Sustainable Peace and Development

In its capacity as the Chairman of the African Union and the Champion of Post-Conflict Reconstruction and Development in Africa, Egypt launched the Aswan Forum for Sustainable Peace and Development. The forum provides the first of its kind platform in Africa to address the interlinkages between peace and development, and champion Africa-led solutions, through strengthening the policies-practices linkages.

Hanaa Helmy, CEO of the EFG Hermes Foundation and Head of CSR, was invited to moderate the session on "Harnessing Digital Financing and Financial Inclusion for Sustainable Development and Peace" and took the opportunity to highlight that while financial inclusion is not one of the 17 SDGs, it is a key enabler of at least half of them.

Having access to savings accounts, loans, insurance and other financial services helps reduce poverty and inequality, achieve economic empowerment, particularly for women, and facilitate access to health and other basic services.

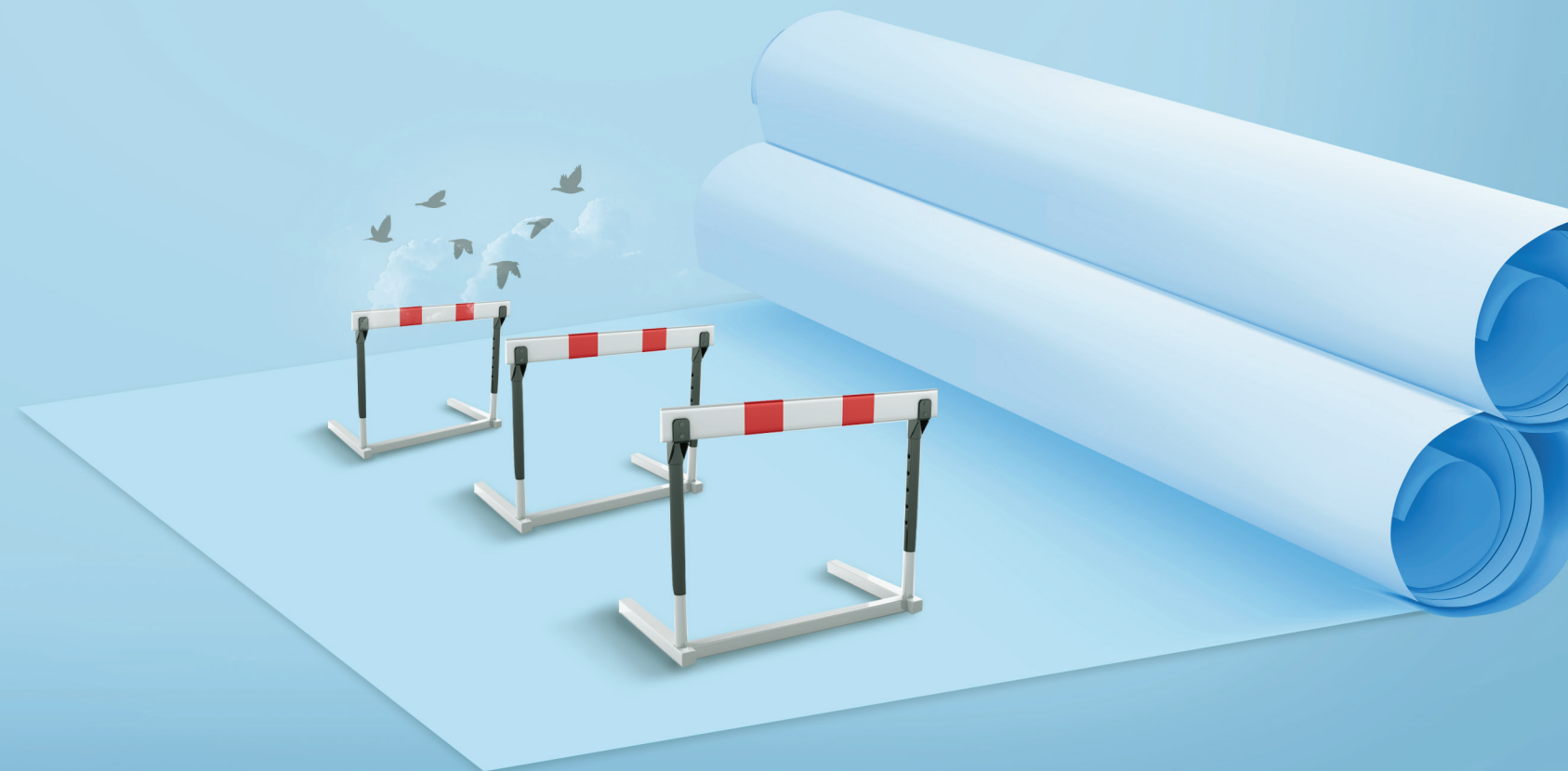


The Middle East's Top 100 Power Businesswomen

We are also very proud to announce that our Chairperson, Mona Zulficar, was selected as one of Forbes Magazine's top 25 Power Businesswomen in the Middle East. One of the main criteria for selection are the initiatives and causes championed by the nominees. In addition to being one of Egypt's most prominent corporate, banking and project finance attorneys, she is a staunch human rights activist and legislator and an unrelenting champion of ESG issues and the drive to achieve the SDGs both at EFG Hermes and elsewhere. She is a staunch supporter of the work conducted by the EFG Hermes Foundation and is deeply committed to maximizing the social impact aspect of EFG Hermes activities.

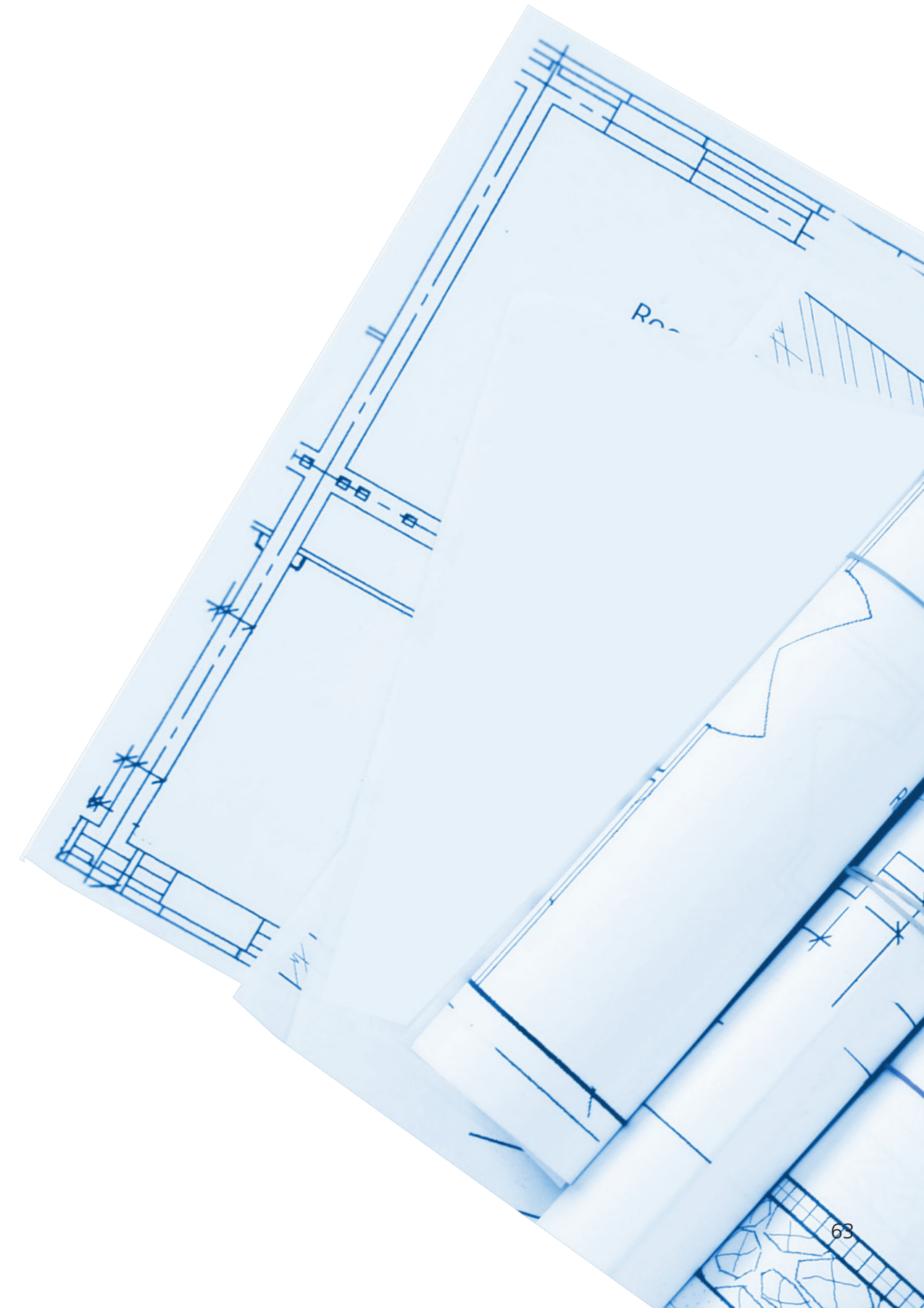
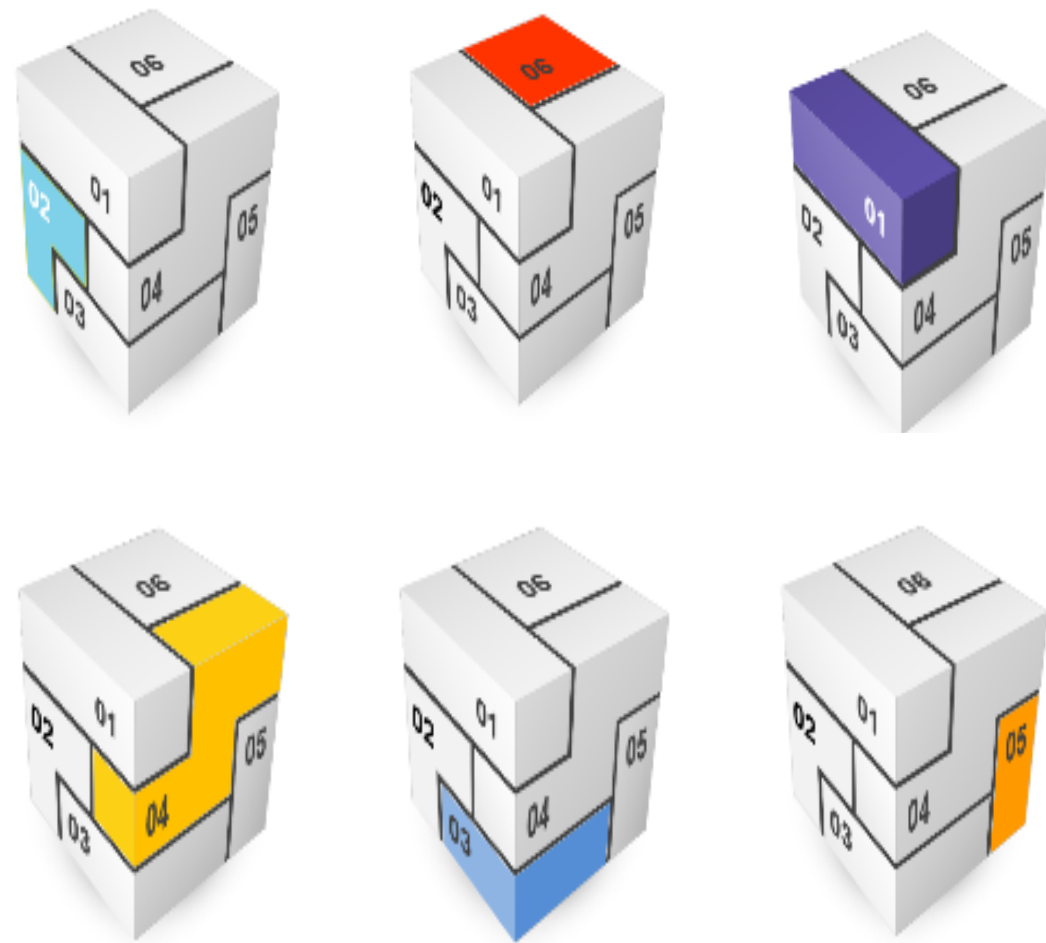


TOMORROW'S GROWTH EMERGING ISSUES



Emerging Issues

As our ESG ecosystem matures thanks to years of concerted and focussed effort on integration and assimilation, we look to the future for sustainably driven growth firmly rooted in responsible principles. Responsible investing has become a strategic imperative, not only for the good of society, but also in terms of general value creation. To realize sustainable growth, however, one clear gap emerges: Making informed decisions requires the availability and reliability of measurable data. The challenge in the coming period will be to quantify the potential risks and rewards in order to develop sophisticated investment strategies and instruments that address the interests of global investors in sustainable investments, and at the same time, contribute towards achieving the ambitious targets of the SDGs.





www.efghermes.com



Egypt | United Arab Emirates | Saudi Arabia | Kuwait | Oman | Jordan | Pakistan | UK | Kenya
USA | Bangladesh | Nigeria | Vietnam