

ABU DHABI COMMERCIAL BANK - EGYPT

بنك أبوظبي التجاري
ADCB

2021 ESG Report

Emerging Stronger by Empowering a Digital and Inclusive Future

ADCB Egypt is committed to empower a digital and inclusive green future

Abu Dhabi Commercial Bank – Egypt (S.A.E) first Environmental, Social, and Governance (ESG) Report for the year 2021, covers the Bank’s ESG guidelines, performance and activities, aiming to establish greater transparency with its different stakeholders.

Reporting Period and Scope

This report presents the Bank’s ESG performance covering the reporting period from January 1st to December 31st, 2021, unless stated otherwise. References to the parent company, Abu Dhabi Commercial Bank PJSC, are specifically mentioned in the report. It was worth noting that ADCB-Egypt was established following the successful merger and acquisition of the Union National Bank (UNB) and the rebranding that took place end of August 2020.

Throughout this report, ADCB–Egypt is herein referred to as ‘ADCB–Egypt’, ‘the Bank’, or ‘it’.

Reporting Standards

This report has been prepared in accordance with the following non-financial reporting standards: Global Reporting Initiative Standards (GRI) ‘Core’ option, the Sustainability Accounting Standards Board (SASB) Industry Standards.

It also presents the Bank’s achievements in line with Egypt’s Vision 2030 and the UN Sustainable Development Goals (SDGs).

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About ADCB-Egypt

ADCB-Egypt is a member of the Abu Dhabi Commercial Bank PJSC, one of the largest financial institutions in the UAE. However, ADCB-Egypt was rebranded in 2020 after the successful

merger and acquisition of UNB. With a vision to be the most preferred Bank to its customers, ADCB-Egypt aims to deliver best-in-class banking solutions and lead Egypt’s digital banking backed by the Group’s expertise.

ADCB-Egypt is actively serving a broad spectrum of segments, offering a wide range of financial products, services, and innovative digital solutions for retail, affluent customers, SMEs, and corporate clients. ADCB-Egypt reaches out to its customers through advanced platform of online services and a nationwide network of branches and ATMs.

ADCB-Egypt actively participates in major landmark projects and supports its various customers in their projects and ambitions. ADCB-Egypt is committed to serving the national economy in alignment with Egypt’s Vision 2030. Furthermore, promoting financial inclusion, the Bank has adopted a fully integrated vision pioneering the integration of People with Disabilities (PwD) into the banking system, offering special products and services tailor-made to meet their needs.

Since its inception, ADCB-Egypt has been recognised for its achievements with several major awards for its digital development, endeavours to integrate PwD, and the graduate job program.



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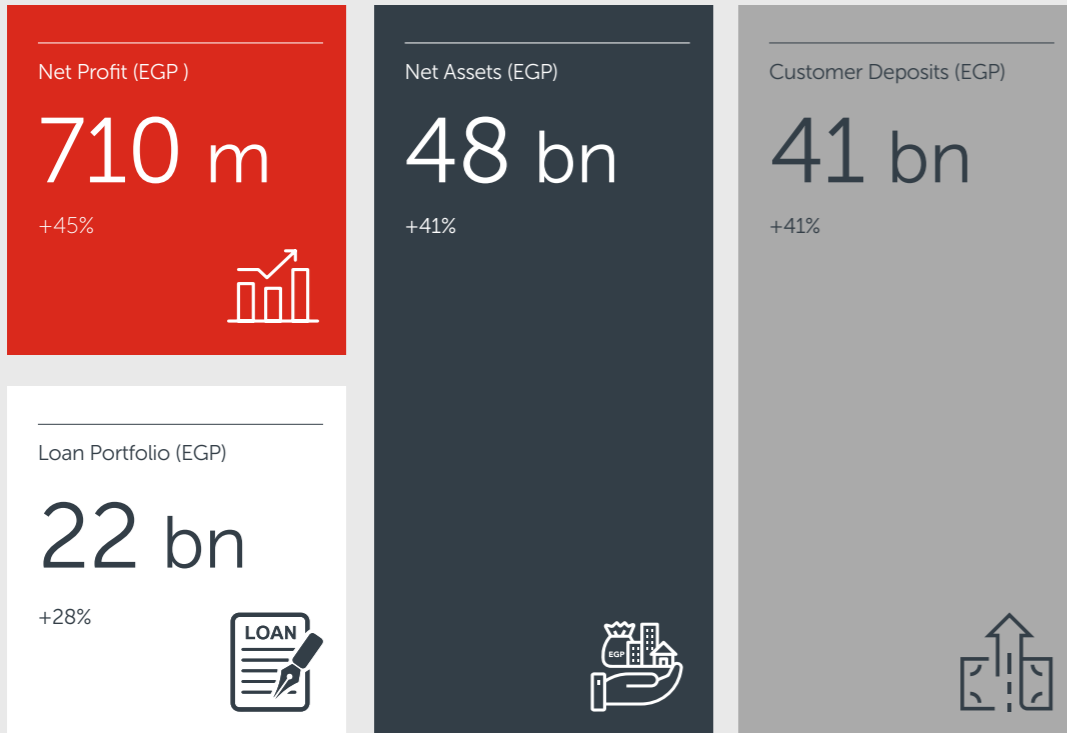
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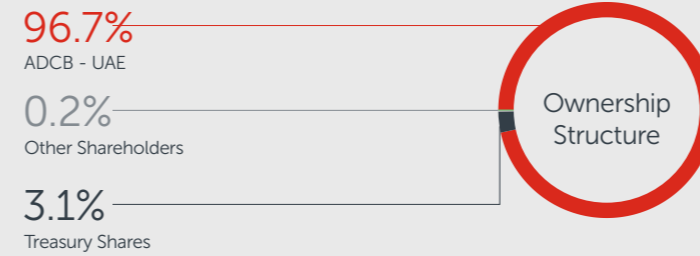
ADCB-Egypt at a Glance

Financial Highlights

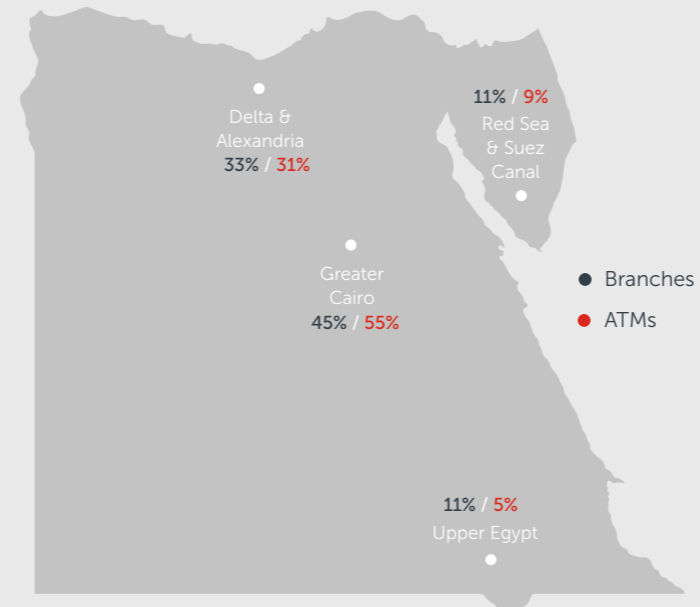
All metrics reported below are As at 31 December 2021.



Presence and Customers



ADCB-Egypt Geographical Distribution



Awards and Achievements

- Best Graduate Employment Program for the ADCB-Egypt Academy – The Digital Banker
- Best Financial Inclusion Initiative for Integrating People with Disabilities – The Digital Banker
- Best Digital Transformation Program – The Digital Banker
- Outsourcing Transformation – The Digital Banker
- Fastest Growing Digital Bank – Global Business Outlook Awards

Our ESG Performance Highlights

ADCB-Egypt began its ESG journey in line with the ADCB Group and has established a set of ESG indicators to report its progress year on year. Highlights of our progress in 2021 are presented in this section and are further discussed throughout this report.

Climate



Total Absolute GHG Emissions in 2021¹

1,714 tCO₂e



2021 GHG Emissions Intensity^{1,2} 1.44 tCO₂e/FTE

Sustainable Finance projects in 2021.

3,347 m

EGP



Local Procurement

99%



of procurement spending was directed to local purchases

[Go to Climate](#)

Customers and Communities



Digital transactions by ADCB-Egypt retail customers



Digitised over 100 services in 2021. Subscribers to digital platforms increased by 305% from 2020 to 2021.

Customer complaints

83%



Percentage of customer complaints resolved within the commitment period.

Community investments

5 m



EGP

Total direct community investments.

[Go to Customers and Communities](#)

Employees



Employee Diversity

30%



Percentage of female employees

New Employee Hires

32% 51%

Females

Under the age of 30 were among our new hires in 2021.

Learning and Development

59,917 +1,400

Total training hours provided to our employees.

e-Learning programs are tailored to ADCB-Egypt's employees through the Learning Management System (LMS).

ADCB Academy celebrated the graduation and hiring of its first batch of forty fresh graduates.

[Go to Employees](#)

Governance



Advancing Financial Crime Detection

Launch of an AI-powered solution for Fraud Detection.



Anti-corruption

100%



of ADCB-Egypt's Board members, employees, business partners, and suppliers who have acknowledged their compliance with the Bank's anti-corruption policies and procedures.

[Go to Governance](#)

¹ These indicators cover the operations of ADCB-Egypt's Head office building only. For further information, please refer to [ADCB-Egypt's Carbon Footprint Report](#).

² Covers Scope 1 and Scope 2 emission sources only, reported in tonnes of carbon dioxide equivalent per full time employee. The GHG emissions intensity figure is calculated based on the total number of employees in the HQ only (639 employees).

For more information, please refer to the section "[ADCB-Egypt ESG Metrics](#)".

ADCB Group at a Glance

ADCB by the numbers

440 bn

Total assets (AED)



+7% YoY

265 bn

Total customer deposits (AED)



+5% YoY

59 bn

Total shareholders' equity (AED)



+5% YoY

Ratings

A/A-1/Stable
S&P Global ratings

A+/F1/Stable
Fitch ratings

AA
MSCI ESG rating

Medium risk
Sustainalytics ESG rating

Geographic Footprint

54

ADCB – branches in the UAE

46

ADCB Egypt – branches in Egypt

13

Al Hilal Bank – branches in the UAE

4

Al Hilal Bank – branches in Kazakhstan

Ownership Structure

60.20%

Mubadala Investment Company¹

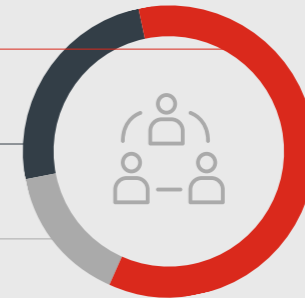
24.57%

Free float domestic investors

15.23%

Free float foreign investors

¹ Through its wholly owned subsidiary One Hundred and Fourteenth Investment Company–Sole Proprietorship LLC



Contribution to Operating Income

42%

Consumer Banking Group

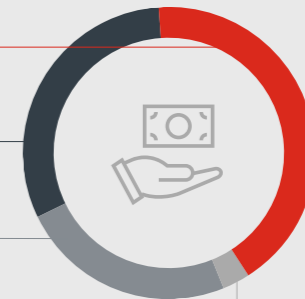
31%

Wholesale Banking Group

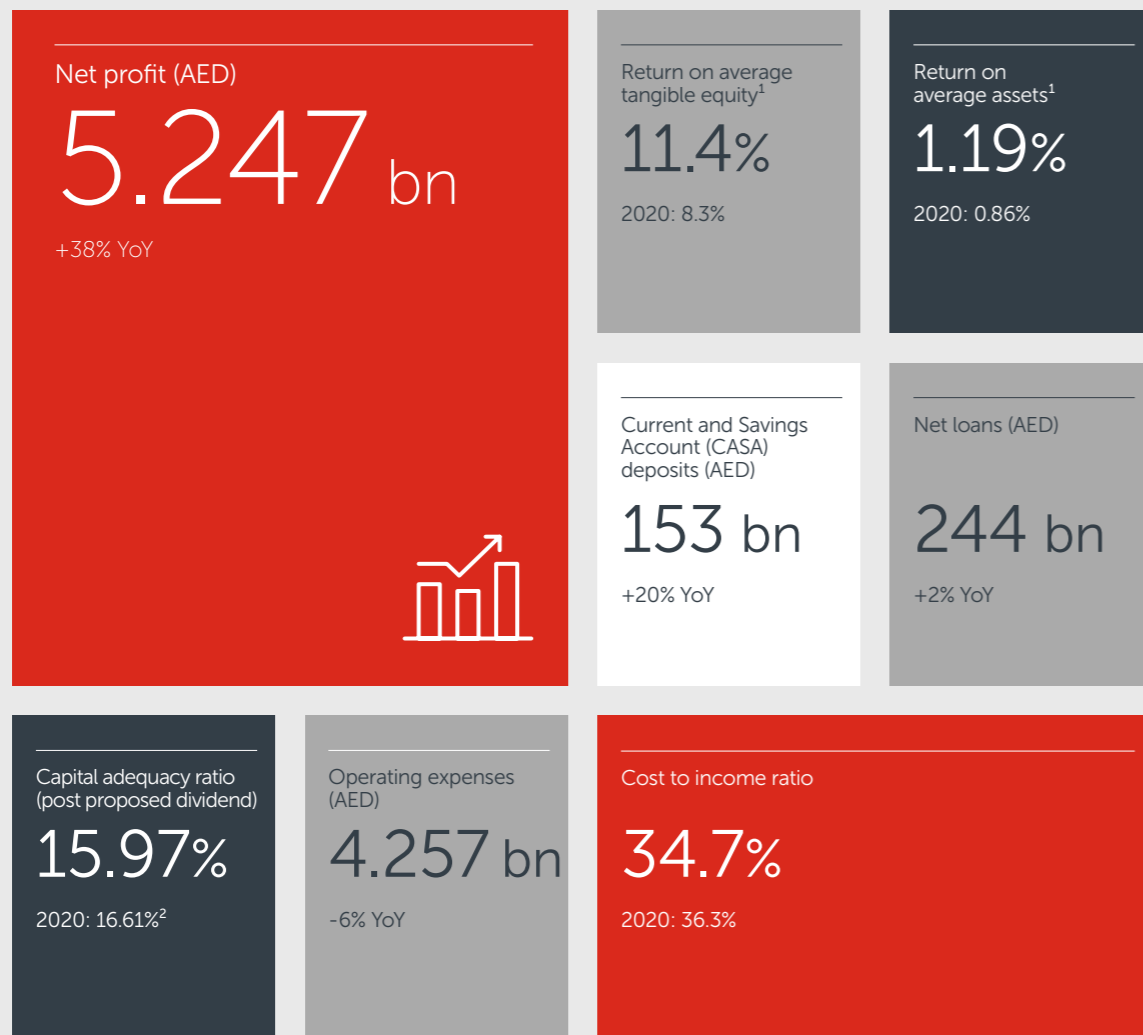
24%

Treasury & Investments Group

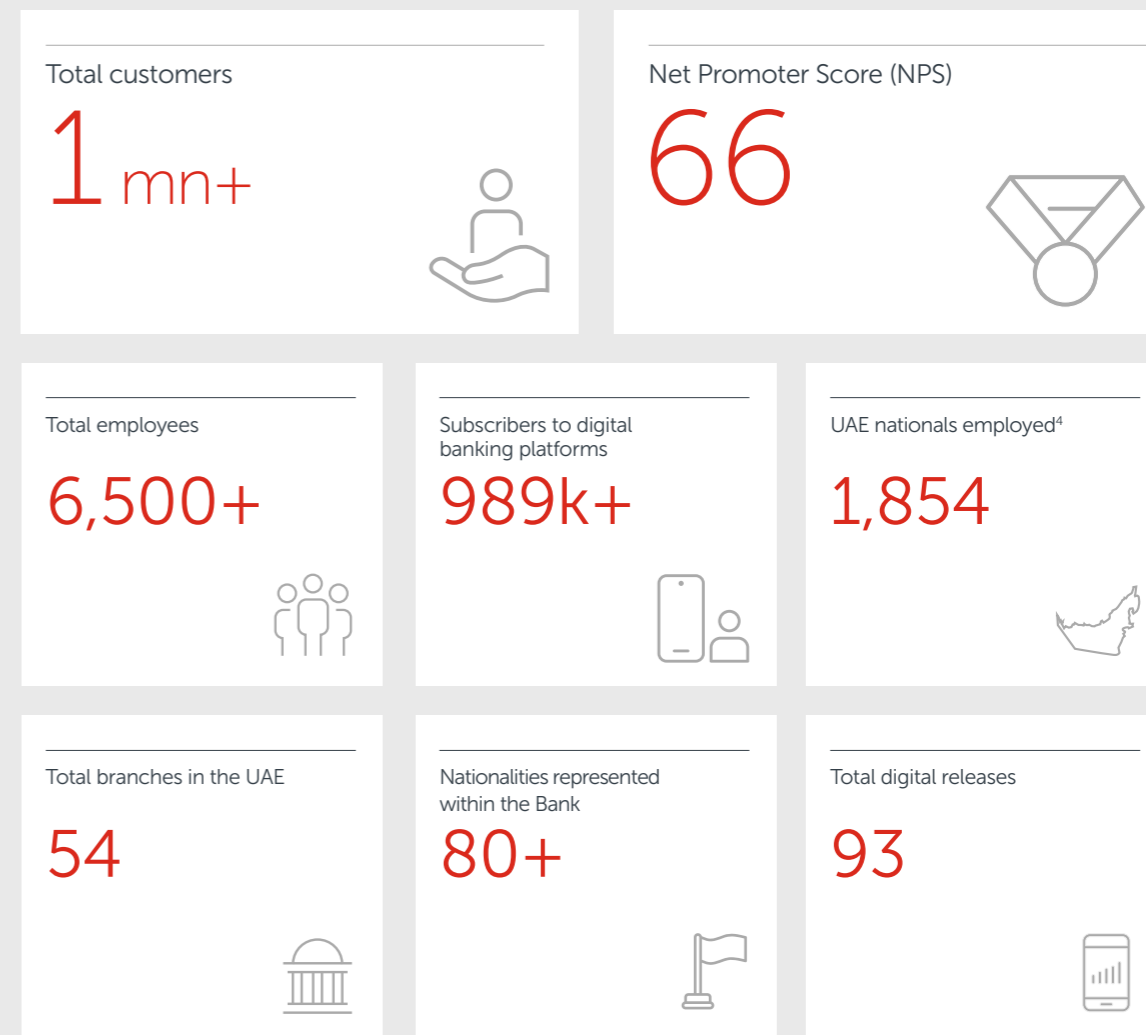
3%



Financial Highlights



Non-Financial Highlights³



¹ For ROATE/ROAA calculations, net profit attributable to equity shareholders is considered, i.e., net profit after deducting interest expense on Tier I capital notes

² Post dividend payment

³ Excludes the following subsidiaries: Al Hilal Bank and ADCB Egypt

⁴ Emiratisation figure refers to UAE nationals employed by ADCB UAE and AHB UAE

ADCB-Egypt's CEO Letter

The past year has been, in many ways, fundamental for ADCB-Egypt.



Establishing the ADCB brand and a presence in Egypt has been a significant step for the Group, allowing it to enter a new and vibrant market.

We are also investing in tomorrow to become a market leader. Therefore, to honour our ambition of becoming the most preferred Bank for our customers, the Bank transformed to place us in a prominent position among our competitors. As a result, we excelled in multiple areas, from profitable growth and new customer segments to rapid digital innovation and creative collaborations for financial inclusion.

It has also been a step towards furthering the ADCB Group's ambitious and comprehensive ESG Strategy of its commitment to address issues that directly or indirectly impact our business – and our stakeholders' decision to do business with us. In 2021, following the ADCB Group's lead in developing an integrated approach to maximize long-term value for its stakeholders, ADCB-Egypt launched its sustainability journey by creating a practical local roadmap supported by dedicated initiatives and unique collaborations. Our roadmap is in alignment with Egypt's Vision 2030 as well as the National Strategy for Climate Change within a context focussed on the COP 27 that Egypt is hosting in Sharm El Sheikh in 2023.

Through its success, ADCB-Egypt has conveyed a clear message that banking and sustainability can go hand in hand at every level. As a financial institution, we can have a profound positive impact, and diverse teams across the Bank have been working hard to explore opportunities in this regard.

Similarly, being the preferred Bank to our customers means much more than just expanding our customer base, offering the highest quality of service, or having an unmatched experience. It also means careful development of our strategy and value propositions that consider evolving social values and preferences. ADCB-Egypt is

well-positioned to meet those expectations with an ambitious and creative mindset while achieving regulatory compliance and market leadership.

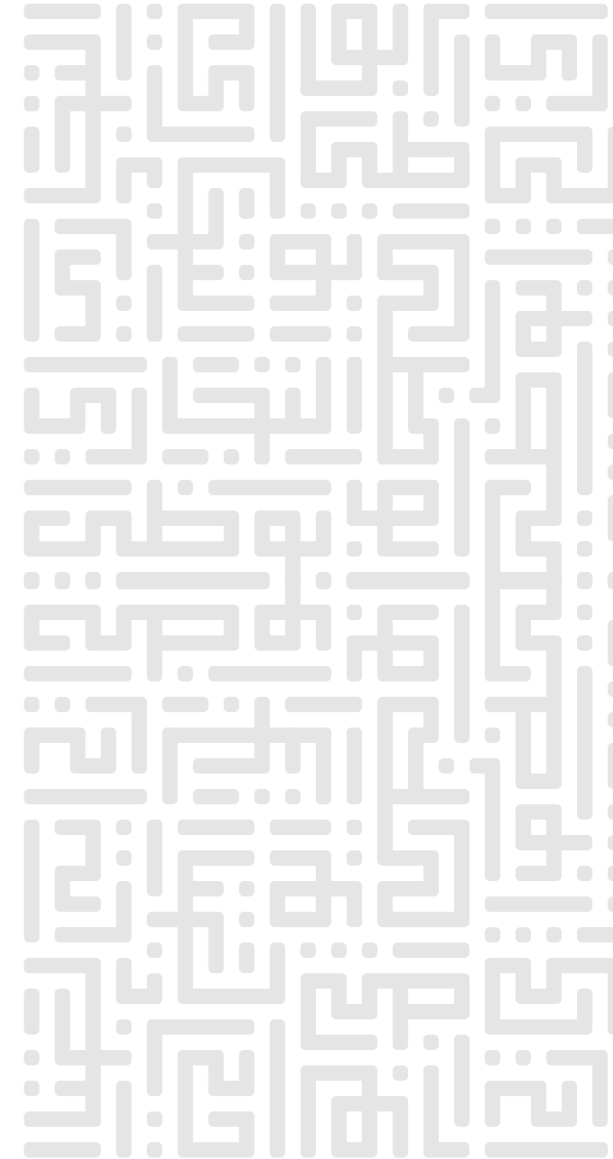
Several awards have also recognised our digital banking efforts, and we are proud to support Egypt's ICT 2030 Strategy. We are making digital banking the new norm by offering fast and convenient banking services to everyone in Egypt. In addition, we are constantly innovating new ways to improve our digital offerings every day. Furthermore, our efforts to serve diverse groups, particularly women, youth, and people with disabilities, have continued to facilitate a more inclusive banking culture and equal society where everyone can benefit from modern financial services.

The Bank has achieved outstanding performance and growth over the past year, and there are reasons to be optimistic about what lies ahead. However, the next few years will not be simple, and we recognise that complex environmental and social challenges will require elaborate and creative decisions.

With a clear business strategy delivering real growth, an ambitious ESG roadmap, and streamlined operations, ADCB-Egypt is well prepared for the emerging requirements and the new level of demand caused by a digital society. Driven by the Group's leadership and vision, ADCB-Egypt is ready to explore new possibilities and embark on ambitious endeavours to elevate and refine our value proposition.

Finally, I hope this report communicates our achievements and path, providing every reader with the necessary information and relevant insights on what matters to them. I invite all stakeholders to collaborate to empower a resilient, dynamic, and sustainable economy.

Mr. Ihab El Sewerky,
ADCB-Egypt's Managing Director and CEO



Creating Value

Strategy and Business Model

Robust and Future-Ready Business Model

In 2021, the Bank’s position solidified in Egypt’s market, paired with digitally enabled expansion and deep insights into customer needs and preferences. As a result, ADCB–Egypt is moving rapidly towards building ESG awareness, alignment with the Group and consequently a tailored local ESG roadmap with clear areas of action and lines of responsibility. The Bank also sees a unique moment where rapid business development, digitalisation, and ESG leadership can deliver synergetic results, and it aims to capture every opportunity in this regard.

Organisational evolution has always been a necessity, yet today, it has become a defining factor in the capacity to generate short-term wins and the potential for long-term success. ADCB–Egypt readily embraces its capabilities, responsibilities, and potential to be at the forefront of innovation, transforming internally to drive a broader change. Therefore, ADCB–Egypt does this through well-defined roadmaps and clear definitions of deliverables while streamlining and automating change management processes. This has allowed the Bank to quickly implement even the most complex innovations while staying agile to accommodate changes across internal and external contexts.



What Drives Us Forward

Leadership

An experienced Board of Directors with solid support from the main shareholder, supported by a highly skilled Senior Leadership Team.

Talent

Over 1,000 dedicated and talented employees.

Brand

Emerged strong in the Egyptian market with five awards in 2021.

Innovation

Digital strength and technological capability for an outstanding customer experience.

Expertise

Cutting-edge expertise to serve every segment and need at our best.

Resilience

Resilience through a diverse portfolio, capacity for a prompt response, and rapid change.



How We Create Value

Our vision

To become the preferred bank in Egypt for our customers.

Our mission

To build long-lasting relationships with our customers, and aim to treat every customer as a distinct individual and cater to their personalised demands in the best possible manner.

Our values

Aligned with the ADCB Group, ADCB–Egypt’s core values are firmly integrated within our people, which drives our business to success.



Business segments

- Retail Banking
- Wholesale Banking
- Treasury and Investments

Partners

Strive to be the partner of choice for our diverse stakeholders.



What We Deliver

Employees

Fulfilling careers, competitive benefits, and rewards with professional development.

Customers

Protecting and growing the wealth of more than 100,000 customers, from individuals, SMEs, and large corporates to Government-Related Entities (GREs).

Community

Playing a role in the country’s socioeconomic development, and serving the financial inclusion of different segments, in alignment with Egypt’s Vision 2030.

Investors

Delivering robust returns and long-term sustainable value to shareholders.

Regulators/Government

Engaging with relevant authorities to support a responsible regulatory framework.



In FY 2021, we demonstrated the resilience of our evolving business model, with a 45% increase in net profits and 28% growth in our loan portfolio. It was a rewarding year with significant developments and progress on our main initiatives. The outlook is positive. We expect further growth of the business in 2022 while we continue to engage in opportunities ahead of us and reap the results of the ongoing transformation.



Kamel Fayed
Chief Financial Officer

Egypt Moving Forward

Economic Review and ESG Landscape

Today, Egypt leads by combining financial resilience with ambitious development, bringing about positive changes in how markets operate, how business models generate value, and how society progresses towards sustainability. ADCB-Egypt is at the forefront of building back better, employing innovative tools and mechanisms to allow every client and the economic system as a whole to develop effectively towards a sustainable trajectory.

While the COVID-19 pandemic caused economies worldwide to decline sharply in early 2020, economic activity showed positive signs in the second half of the year, as nations started to lift lockdown restrictions and consumers and corporates benefited from various government and central bank support measures.

Egypt also reacted quickly via a series of restorative policies and an EGP 100 BN (~\$6.4 BN or almost 2% of the GDP) stimulus package. These policies were based on three concepts: Protection, Mitigation, and Resilience (PMR), which helped balance the negative impact on the livelihood of millions of Egyptians across economic sectors and regions, making the economy more resilient to such crises in the future.

Furthermore, the promptness of these policies, coupled with effective coordination between fiscal and monetary measures, aided by forecasting and assessment exercises with development partners based on an evidence-based approach, has significantly helped to alleviate the adverse effects of the pandemic. Moreover, the successful implementation of the stabilization program and the first phase of reform have also given the Egyptian economy a solid foundation, enabling it to weather the devastating prolonged effects of COVID-19. Hence, the resilience of the Egyptian economy was not surprising, as it registered a positive real growth of 3.57% in 2019/2020 and an expected growth of nearly 2.8% in 2020/2021. This growth established Egypt as the best performer in the MENA region and among emerging economies.

Therefore, to build on the success of the first phase of reform, the second phase, the National Structural Reforms Program (NSRP), was developed and launched in 2021. The program consists of a wide range of radical and well-targeted reforms at both structural and legal levels. These reforms target the root causes of the real sector's imbalances and aim to achieve well-balanced, green, and inclusive growth.

Furthermore, the NSRP aims to change the economy's structure by expanding the relative weight of three leading sectors: Manufacturing, Agriculture, and Information and Communication Technology. It is also worth noting that these sectors have been selected according to specific criteria: their high potential for future growth, their relative weight in the GDP, their ability to generate value-added job opportunities, the possession of backward and forward linkages, and international competitiveness advantage. **Furthermore, as a strong emerging bank, ADCB-Egypt aims to further support the economy by fuelling the transition of the NSRP's selected leading sectors.**

ESG Landscape

The COVID-19 pandemic has proven that responsible operations and environmentally sustainable investment activities are needed to ensure resilience and durability. Last year we witnessed a rapid rise in new requirements, guidelines, and roadmaps on ESG integration for financial institutions and new frameworks guiding sustainable finance. Therefore, as a responsible bank, ADCB-Egypt has carefully monitored those developments.

The Global Shift Towards Sustainability

Bold government commitment, growing public awareness, and new research has highlighted the necessity for and benefits of broader ESG adoption as the driver of sustainability transitions among the business community and beyond.

Companies are also starting to recognise that sustainability efforts can bring concrete short-term gains and long-term benefits, from employee retention and positive customer reception to more resilient supply chains and diminished carbon footprints. As a result, sustainability is evolving to be a foundational element of business success in an ambiguous and complex future.

Corporate sustainability commitment and disclosure allow the multiple stakeholders concerned about a business's impact on the economy, society, and nature to find common ground for action. In addition, ESG ratings make it increasingly possible to benchmark and compare the ESG performance of different companies.

Regional And Local Developments

The growth of ESG in the MENA region has been advanced by the contribution of the Egyptian Exchange (EGX), Abu Dhabi Securities Exchange (ADX), Arab Federation of Exchanges (AFE), Bahrain Bourse, Saudi Stock Exchange (Tadawul), regulatory authorities, and private financial institutions. In addition, the Arab Federation of Exchange launched the "Low Carbon Select Index" in 2020, allowing investors to commit capital to MENA companies engaging in low-carbon activities. By 2021, the momentum behind net zero and climate action in the UAE intensified, which resulted in UAE announcing its commitment to be the first GCC state to be net zero by 2050.

As a result, banks and other sectors have been increasingly integrating ESG into their strategies to respond to the growing demand of their stakeholders and regulatory developments. The Regional Centre for Sustainable Finance has also been established and Egypt has launched a Sovereign Government Green Bond. In addition, in 2016, EGX issued model guidance for reporting ESG performance, and in 2015, the UN published its SDGs. Furthermore, Egypt's Financial Regulatory Authority (FRA) has devised KPIs for disclosure in accordance to GRI, the Task Force on Climate-Related Financial Disclosures (TCFD), and the UN SDGs.

Through bonds and preparing the National Strategy for Climate Change, Egypt plans to green 50% of its national projects by 2024. Egypt's Corporate Governance Code also affirms

the need to oversee environmental and social issues. Therefore, the CBE has created a set of sustainable finance principles in Egypt regarding the Principles of Responsible Banking (PRB), the Equator Principles, TCFD, GRI, and Green Bond Principles (GBP). Furthermore, the upcoming UN Climate Summit COP 27 is set to be held in Egypt in November 2022.

Finally, to ensure regulatory compliance as well as maintaining and advancing its position in the sustainability field, ADCB-Egypt has prepared its first ESG report in accordance with global standards and frameworks, including the GRI Standards, and is working on elevating its climate-related activities and contribution to Egypt's green project plans.



Our Strategy and Approach to ESG

ADCB-Egypt is on the road towards comprehensive ESG integration in response to the growing recognition of complex socioecological challenges, the interconnectedness of financial and ESG risks, regulatory requirements, and stakeholder expectations. As a result, ADCB-Egypt strives to make ESG an integral part of its approach to business by following the Group's direction and strategy on this path.

ADCB Group's Sustainability Policy and Strategy

ADCB Group's [Sustainability Policy](#) guides the development of the Sustainability Strategy, and it outlines the governance framework for managing ESG initiatives across the Bank. In addition, it defines common standards across the organisation and provides the Group and its subsidiaries with shared ESG definitions.

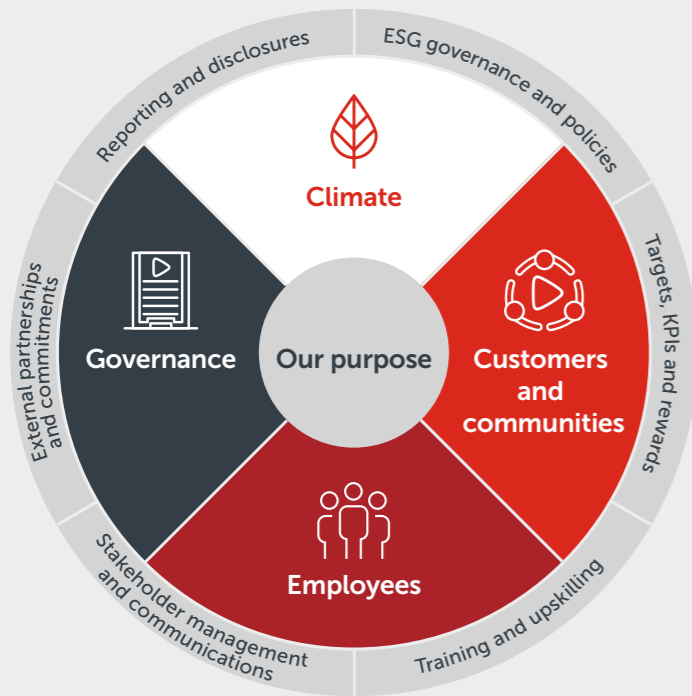
ADCB-Egypt is ready to support system-wide transformation towards a more sustainable society through clearly defined priority areas, actionable instruments, and strong collaborations. ADCB-Egypt also works across all four priorities and sixteen workstreams of the Group's Sustainability Strategy, which explains what is material for the Group and guides the structure of this report.



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ADCB Group's Sustainability Strategy



Purpose

Support the transition to an inclusive, net zero economy

Strategic priorities

Climate



Customers and Communities



Employees



Governance



Ambition

Support the transition to a net zero economy and manage climate change risks

Provide inclusive and innovative financial services to drive sustainable economic growth

Create a thriving workplace that attracts and retains the most talented and committed people

Operate a responsible business with the highest ethical standards to preserve integrity and trust

Workstreams

- 1.1 Sustainable finance
- 1.2 Environment and social risk management (ESRM)
- 1.3 Net zero operations
- 1.4 Green procurement and supply chain

- 2.1 Customer satisfaction
- 2.2 Financial inclusion
- 2.3 Digital and innovative propositions
- 2.4 Community investment

- 3.1 Employee engagement and well-being
- 3.2 Emiratisation
- 3.3 Learning and development
- 3.4 Equality, diversity and inclusion

- 4.1 Corporate governance, compliance and code of conduct
- 4.2 Risk management and cybersecurity
- 4.3 Financial crime and anti-corruption
- 4.4 Tax transparency

Commitments

- Commit AED 35 bn to green financing by 2030 to support customers in their decarbonisation journey
- Launch ADCB Green/Sustainable Bond Framework and issue bonds
- Commit to net zero in own operations, and to reducing financed emissions in line with UAE government net zero ambition

- Improve customer experience and value for money for customers, whilst improving access to financial products
- Digital initiatives to drive mobile banking penetration among new and existing customers

- Continue to improve diversity and inclusion metrics, and maintain best in class employee satisfaction
- Enhance employee learning through high quality content and dedicated training

- Drive best-in-class governance in the region, and continue to enhance ethical banking practices
- Maintain industry leading data privacy and information security



Enablers

ESG governance and policies

Targets, KPIs and rewards

Training and upskilling

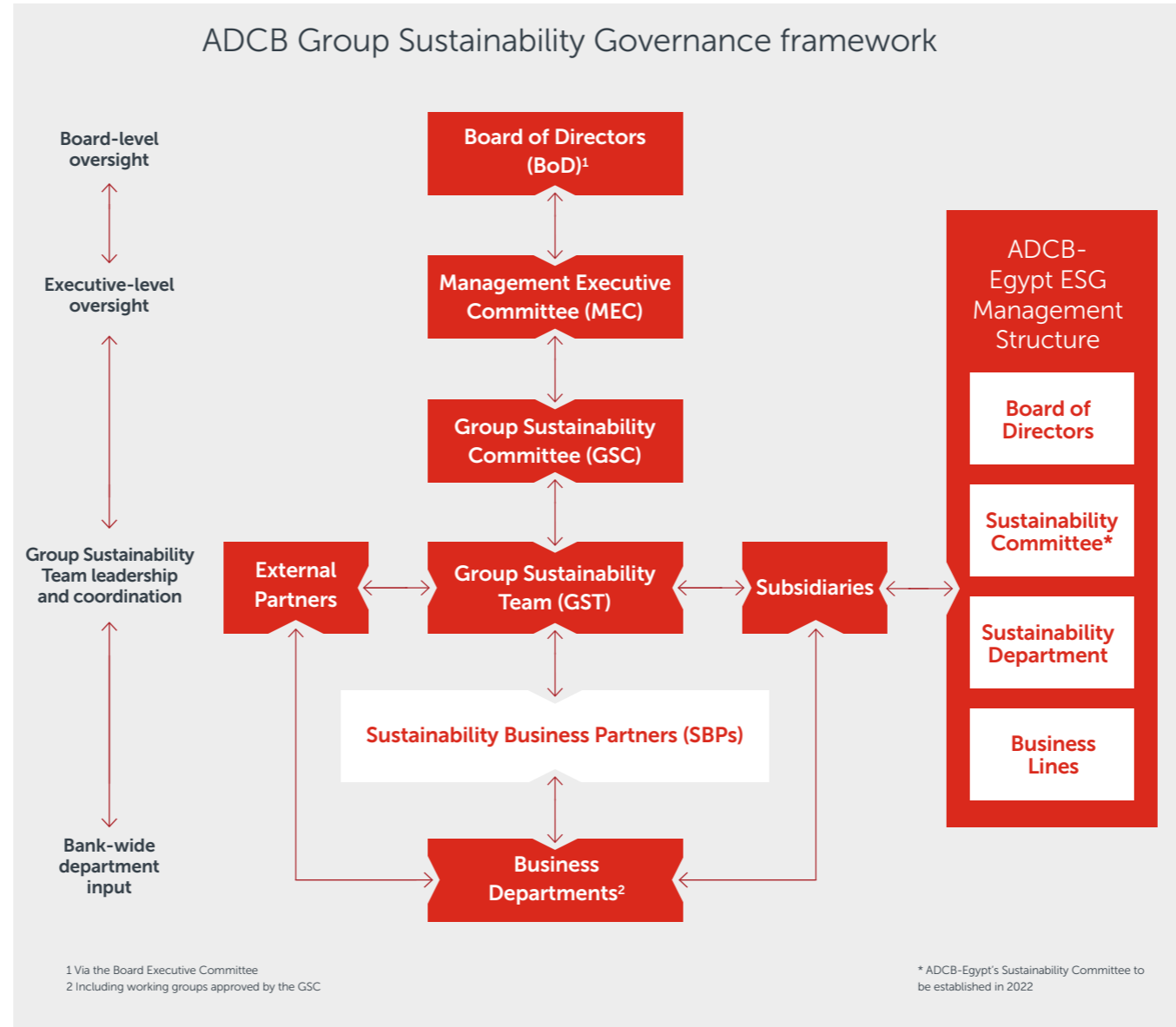
Stakeholder management and communications

External partnerships and commitments

Reporting and disclosures

ADCB-Egypt's ESG Management

In 2021, ADCB Group's Board and Management Executive Committee (MEC) developed a clearly defined Group-wide Sustainability Governance Framework to increase senior management's oversight of crucial ESG risks and opportunities and ensure adequate coverage across all levels of the Bank.



The framework consists of a new Group Sustainability Committee (GSC) with responsibility for setting the ADCB sustainability strategy and ensuring its implementation within relevant core business functions.

The GSC is supported by a Group Sustainability Team (GST), with a newly appointed Head of Sustainability reporting to the GCFO. The GST is responsible for: identifying, proposing and managing strategic initiatives; capturing data and reporting to stakeholders; providing daily support to teams across the Bank with subject matter expertise; setting common standards and policies; and building the culture of sustainable thinking across the organisation, including ADCB-Egypt as a subsidiary of the Group.

In line with the Group's Sustainability Governance Framework, ADCB-Egypt has established an ESG management structure. The Management Executive Committee oversees the implementation of the strategy and reports to the Board of Directors. The Group's Sustainability Committee sets the Bank's Sustainability Strategy and priorities and determines its ambition level. It also reviews proposals for sustainable projects from each business line head, which then executes them. Additionally, ADCB-Egypt's Sustainability Team serves as an organisational focal point to ensure sustainability principles are integrated across the Bank.

The business development approach seeks to ensure that positive changes are consistently applied across the Bank and helps drive sustainability initiatives. It does this by developing and coordinating sustainability efforts and proposing initiatives, incorporating a culture of sustainability into the organisation, providing strategic direction, guidance, and support to business departments, delivering reports, and assessing progress towards Egypt's targets.

Stakeholder Engagement

A Collaborative Approach

In 2021, ADCB-Egypt conducted its first stakeholder engagement across its various departments and has set defined frequencies and channels, focussing on incorporating stakeholder feedback into the Bank's operations.

Stakeholder group		Their most important ESG topic	How we engaged
Customers		Customer experience, ethical banking practices, fair pricing, information security, and data privacy.	Customer satisfaction surveys, one-to-one meetings, online and mobile banking, branch visits, social media, and customer contact centre.
Employees		Health and well-being, training and career development, information security, data privacy, and resource consumption.	Annual engagement surveys, internal communication through email and the intranet, learning and development programs, and training sessions.
ADCB Group		Corporate governance, sustainability strategy and performance indicators, financial and non-financial reporting, group policies and procedures.	Routine meetings, reporting, quarterly and annual disclosures, internal communication through email, and conference calls.
Investors and Business Partners		Corporate governance, board independence and diversity, Bank-wide policies, transparent ESG disclosure, and ESG-related commitments and strategies.	Quarterly and annual disclosures, including earning press releases, analyst and investor calls, one-on-one and Group investor meetings, and investor conferences.
Government and Regulators		Supporting Egypt's national sustainable development strategies and agendas (Egypt Vision 2030, National Climate Change Strategy 2050, and the CBE's Sustainable Finance Principles and ESG mandates).	Public disclosures (e.g., regulatory reporting), surveys (e.g., Sustainable Finance surveys as per the CBE), consultations, forums, and conferences.
Local Communities		Responsible banking and investments, community investments, donations, and volunteering.	Official letters, social media, and field visits.

Materiality Assessment

Focussing on What Matters Most

ADCB-Egypt conducted its first materiality assessment in 2021 to determine and prioritise the topics of significant relevance to its business operations and national context. Elements of our materiality assessment consisted of the following:



1

Identify Potential Topics

We identified a pool of industry-specific topics as determined by global international standards, such as GRI and SASB, as well as ESG rating agencies and platforms. We then narrowed the list of topics to those that related most to the national context in Egypt and ADCB-Egypt's business activities and strategic priorities.

2

Engage with Stakeholders on those Topics

Building on the list of identified topics, we conducted a series of surveys and workshops, including open discussions and interviews with internal stakeholders, including employees, department heads, and C-suite members, to gather further insights on which topics are perceived as the most significant.

Internally we surveyed +40 employees, conducted workshops with over +45 attendees with open discussions, and interviewed and discussed material issues with top management and C-suite members.

Externally, we analysed the national strategies and engaged with the Central Bank of Egypt (CBE) through surveys, as well as considering several of the recently announced initiatives, mandates, and updates it published in 2021, including but not limited to, Sustainable Finance, People with Disabilities, Financial Inclusion, and Micro, Small & Medium-Sized Enterprises (MSMEs)..

3

Analyse and Prioritise the Topics: Materiality Matrix

We then prioritised the topics based on the analysis of the survey results, the interviews, and discussion insights, in addition to ADCB Group's strategic priorities and prioritised workstreams, while also considering the current national priorities and legal requirements and mandates issued by the CBE.

4

Review and Validate the Topics

Finally, we reviewed and validated ADCB-Egypt's topics against the Group's strategic topics while identifying our commitment and way forward concerning each one.

Identifying ADCB-Egypt's Most Material Topics

We identified twenty-eight material topics during the assessment based on our surveys, workshops, and interviews. These topics were prioritised based on the stakeholder engagement process and are presented below on our Materiality Matrix. The twenty-eight topics were then grouped under ADCB Group's final sixteen workstreams (material topics), which are currently defined in the Group's ESG Strategy.

Accordingly, ADCB-Egypt will demonstrate its progress and work across each workstream throughout this report and is committed to achieving the targets set by the Group across each workstream, strategically, nationally, and in relation to the context in Egypt and ADCB-Egypt's specific lines of operation.

Furthermore, since this is our first reporting year, we plan to conduct a comprehensive materiality assessment in 2022, considering ADCB-Egypt's business transformation and refocused portfolio as we accelerate the execution of our ESG Strategy.

40+

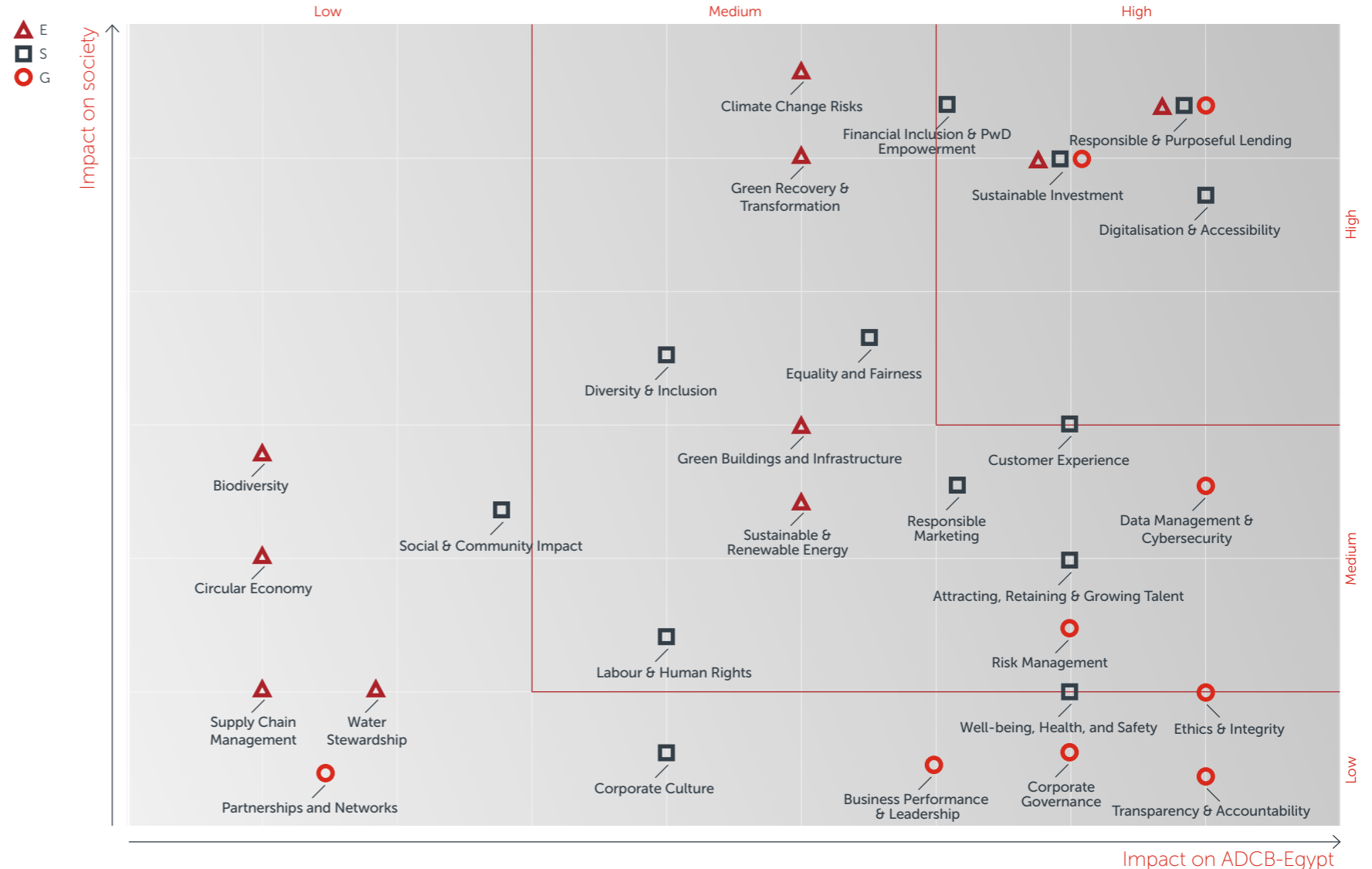
employees, senior executives, and top management were briefed on ESG through workshops, as well as participating in open discussions on the material topics. We also surveyed the twenty-eight topics to rate their significance.

14

Head of Departments were engaged through a comprehensive ESG workshop to review key stakeholder issues and potential material topics raised during 2021.

One-on-one interview with ADCB-Egypt's CEO to discuss potential material topics.

ADCB-Egypt materiality matrix



Topics were prioritised based on stakeholder input from surveys, open group discussions during workshops, personal interviews, CBE circulars, mandates, and surveys, and based on ADCB Group's prioritisation of topics within the national context in Egypt. In addition, an examination of ESG sector standards, benchmark studies, and an industry peer ESG reports analysis was also undertaken.

Our Strategic Priorities

ADCB-Egypt follows the ADCB Group’s Sustainability Strategy, which is based on a comprehensive materiality assessment guided by the United Nations Sustainable Development Goals. Through this strategy, we seek to manage the business risks and opportunities across the material ESG topics that matter most to our stakeholders. This approach strengthens ADCB-Egypt’s business resilience and operational practices while harnessing opportunities to support the transition to an inclusive, net zero economy.

The Group’s strategy also enables us to play a leading role in contributing to Egypt’s Vision 2030 and the country’s strategic commitments to the SDGs. The Sustainability Strategy consists of four strategic priorities: Climate, Customers and Communities, Employees, and Governance, and within each of these pillars consists four workstreams to pinpoint the initiatives we seek to address. As a result, the new strategy will now form the core pillar of ADCB’s Corporate Strategy, as well as ours. In addition, the Board and Management Executive Committee (MEC) have set a high bar for ESG initiatives across the Bank, demonstrating the increased ambition to operationalise these initiatives.

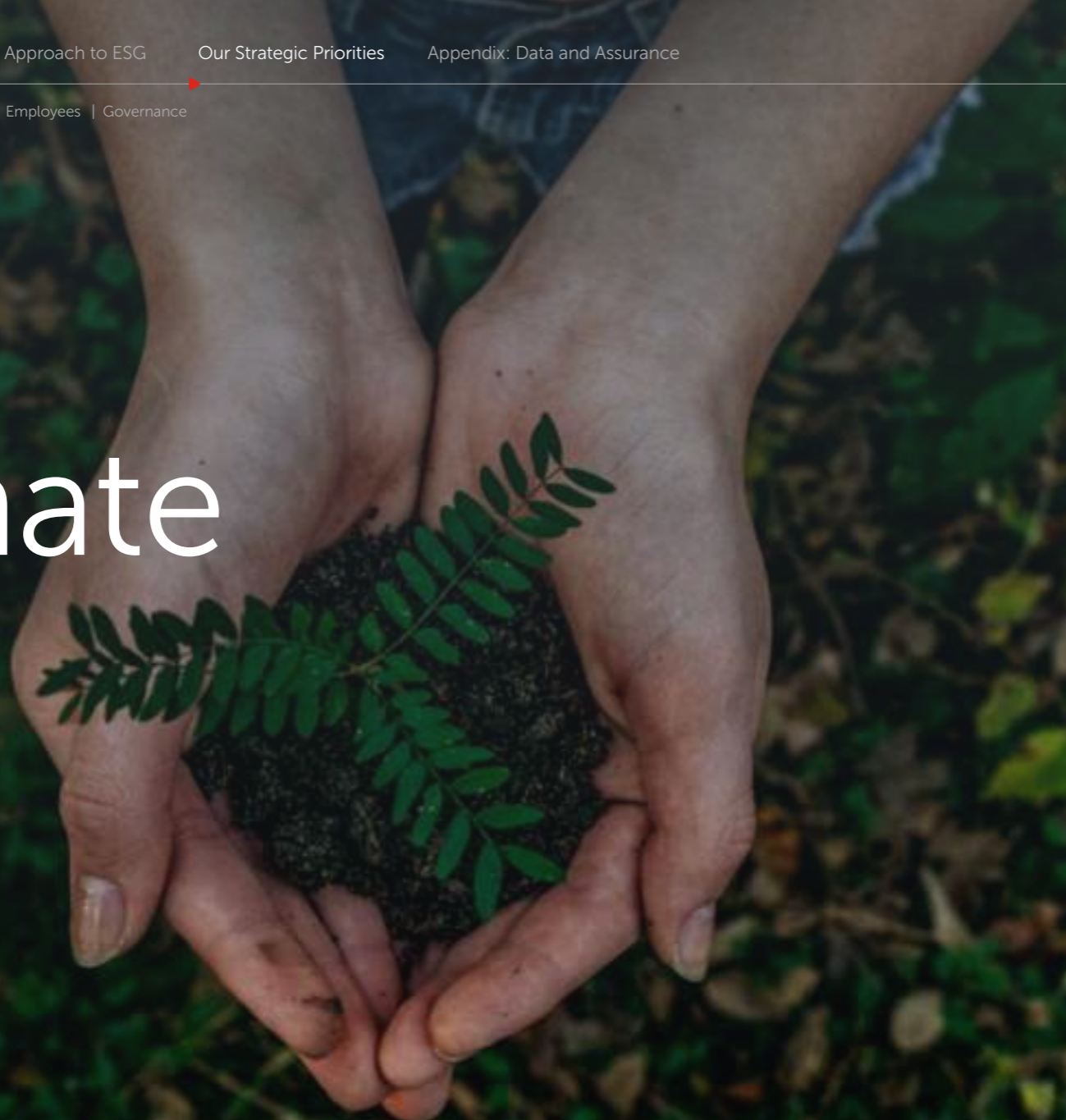


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Climate



Why It Matters

ADCB-Egypt is aware of the need to transition to a net zero economy. Therefore, it aims to proactively manage its climate impact with regard to its operations as well as its investment portfolio. Furthermore, climate change represents a universal challenge, and financial institutions have a unique capacity to help society redirect itself towards a climate-resilient world where every person, organisation, and community can thrive in line with planetary boundaries. ADCB-Egypt is strongly influenced by ADCB Group's direction, as well as Egypt's national agendas and CBE's directions, including sustainable finance principles.

Our Ambition

Support the transition to a net zero economy and manage climate change risks.

UN SDGs



Egypt Vision 2030 Goals



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Sustainable Finance

ADCB-Egypt is working to accompany its customers in their transition to low-carbon operations and serving the national agenda by taking part in financing environmentally and socially sustainable projects.

Why It Matters

ADCB-Egypt works to align with the ADCB Group’s sustainable finance ambitions and the CBE’s sustainable finance principles, requirements and initiatives. This includes supporting its corporate and SME clients in transitioning towards a low-carbon economy.

Through sustainable finance, the Bank can facilitate the necessary transitions across the financial system and among its clients, as well as mitigate the negative impacts of finance.

Our Approach and Progress

By carefully tailoring the Bank’s products and services, ADCB-Egypt aims to support its customers in adopting resource conservation, energy efficiency, and other sustainability measures that help them transition toward sustainable business models. It also targets to build awareness about the benefits and opportunities this means for their business. In addition, ADCB-Egypt’s planned approach is based on engagement rather than exclusion, helping all clients, particularly those in carbon-intensive and highly polluting environments, to develop realistic and ambitious roadmaps for aligning with a sustainable future that enables everyone to do better.

In 2021, ADCB-Egypt financed numerous sustainable finance-related projects, including climate-related projects, projects that target social development, contributing to the development of the national economy.

Sustainable Finance Project Categories ³	2021 Value of Credit Facility (EGP M)	Description of the Projects	Amount (EGP M)
Renewable Energy	15	Solar Panels for Small Farms and Agribusinesses	15
Sustainable Water and Wastewater Treatment	27.6	Water and Sanitation Projects	27.6 (L/G)
Access to Essential Services ⁴	410.4	National Infrastructure and Development Projects	29.4 (L/G)
		National Road Axes Development Projects	7.6 (L/G)
		Pharmaceutical Industries and Medical Laboratories	320.4
		Educational Services	1.7
		Social and Healthcare Initiatives and Services	51.3
Socio-Economic Advancement and Empowerment	2,894.6	Agriculture and Cultivation	735.6
		Livestock and Poultry Development	55.97
		Microfinancing	73.3
		Financing SMEs	2,030
Total Sustainable Finance (EGP M)	3,347.6		

³ Categorisation of the projects is based on ADCB Group’s [Green Bond Framework](#).

⁴ National infrastructure and road axes development projects are considered essential pillars for improving the nation’s productivity, quality of life, in addition to driving economic growth.

Future Outlook

ADCB-Egypt will continue to build employee capacity on sustainable finance principles and best practices, particularly those in the Wholesale Banking Group and Risk Department. We will also work to assist and develop the capacity of corporate and business banking companies on climate-related issues to support their transition to low-carbon services and products.

The new ADCB Group’s ESG Strategy positions sustainable finance as a significant value creation opportunity within new markets. ADCB-Egypt also plans to practice the “engagement is better than exclusion” strategy, helping businesses towards sustainability through sustainable finance, including launching new green corporate and retail products, developing ESG advisory services to support transitioning clients, and adding ESG criteria to its credit assessment to incentivise a more sustainable economy.

Different banking divisions focus on green projects within their scope, such as renewables and smart energy management. Additionally, the Bank is committed to supporting and growing the SME sector and all its customer segments, providing comprehensive support for their operational and growth needs.

Through active engagement with clients, ADCB-Egypt aims to support its own decarbonisation journey and energy transition plans, strategically seizing opportunities that allow the Bank to develop sustainably.

Environmental and Social Risk Management

ADCB-Egypt is working to integrate E&S risk management into its general Risk Management Framework and procedures.

Our Portfolio Exposure Across Economic Sectors

Economic Sector	ADCB - Egypt Portfolio exposure as at 31 December 2021 (%)
Agriculture	7.1%
Heavy Industries	9.9%
Services	11.9%
Renewable Energy	2.3%
Oil and Gas/ Petrochemicals	8.2%
Cement	5.2%
Pharmaceuticals	5.0%
Construction and Building	20.1%
Chemicals	3.9%
Textiles	5.6%
Food and Beverage	10.5%
Fertilisers	2.1%
Information and Communication Technologies, and Data Storage	3.2%
Other*	4.9%

*Includes the following sectors: transportation, real estate, communication, education, automotive, tourism, infrastructure, social and administrative activities, forestry and deforestation, and electricity supply.

Why It Matters

A precautionary and preventive mindset guides the Bank to mitigate adverse impacts rather than deal with consequences. Through robust and rigorous ESG criteria, ADCB-Egypt can make financially sound decisions that do not come at a cost to society and the planet.

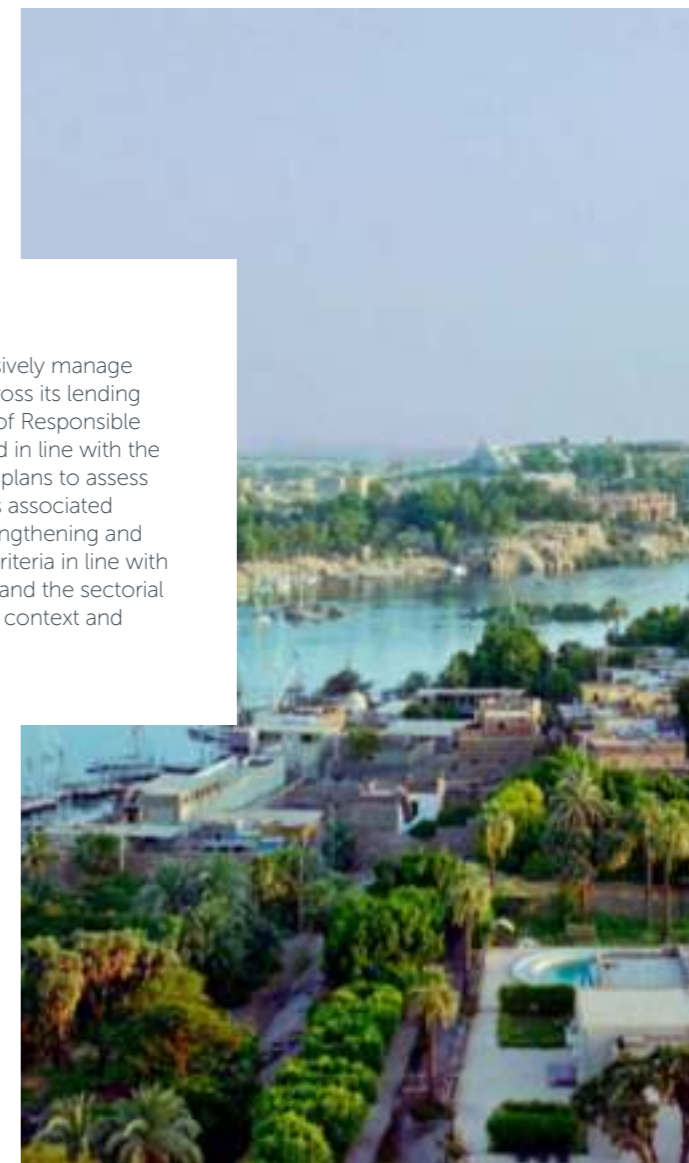
Integrated management of environmental and social risks within the Bank's operations and its lending portfolio are considered of high significance when it comes to financial risk management as well as addressing emerging legal and compliance risks related to ESG reporting. ADCB-Egypt is working to integrate E&S risk management into its general Risk Management Framework and procedures.

Our Approach and Progress

The Bank plans to engage with its clients directly to mitigate environmental and social risks and adopt relevant safeguards collaboratively.

Future Outlook

ADCB-Egypt aims to comprehensively manage environmental and social risks across its lending portfolio based on the Principles of Responsible Banking, robust due diligence, and in line with the Equator Principles. The Bank also plans to assess the environmental and social risks associated with all sectors it finances, by strengthening and updating its existing assessment criteria in line with the ADCB Group's ESRM policies and the sectorial policies applicable to the national context and operations in Egypt.



Net Zero Operations

ADCB-Egypt plans to manage the risks and opportunities associated with climate change. This includes assessing its operational and portfolio carbon footprint, in addition to supporting its customers to transition to a low-carbon business model.

Why It Matters

ADCB Group's strategy and roadmap have set the Bank on a path toward strategically reducing its footprint over the coming decades through the transition to renewable resources, resource efficiency measures, clean transportation, greener buildings, and the development of a corporate culture based on strong sustainability values. However, achieving net zero operations requires managing the Bank's resource consumption and generated waste from direct and indirect operations, in addition to accounting for the impact resulting from the projects and sectors that the Bank finances.

Our Approach and Progress

ADCB-Egypt is currently developing a comprehensive environmental data management system to collect periodic data on our environmental performance across all our branches and offices, including energy, water, and material consumption, as well as waste generation and management. The Bank also aims to have a system in place coupled with a sustainability-led workplace culture. In this regard, ADCB-Egypt held an "Earth Event" awareness event on environmental issues and climate change.

Energy

Energy is consumed across ADCB-Egypt's facilities through electricity, and diesel fuel, which is used to power emergency generators and fuel the Bank's own transportation buses. In 2021, a total of 5,052 GJ of energy was consumed at the Bank's head office and branches in the form of purchased electricity, and fuel consumption from business travel by our employees using the Bank's owned vehicles.



Net Zero Operations (Continued)



Water

Municipal water is consumed across the Bank’s forty-six branches for sanitary and drinking purposes. ADCB–Egypt’s branches primarily operate in residential areas, where water bills are usually consolidated across all building users. Therefore, the Bank plans on installing water meters across all its branches to record, monitor, and manage water usage and disclose its water consumption and the consequent management measures in later reports. In addition, all ADCB–Egypt branches have been equipped with water-efficient faucets to minimise water consumption. During 2021, a total of 13.4 mega litres of municipal water was consumed at the Bank’s head office building.

Waste

Waste generated from the Bank’s operations includes general office waste, shredded paper, and electronic waste. Electronic waste is placed for sale at the end of their lifecycle to be salvaged for raw materials or reused where appropriate. Currently, the Bank does not segregate or track general office waste quantities; however, it plans to develop a corporate-wide waste management policy and plan, to specify the proper segregation, storage, collection, and disposal methods across all forty-six branches.

Paper

Paper consumption constitutes a large share of materials consumed across ADCB–Egypt’s forty-six branches. A total of twelve tonnes of paper were consumed in 2021, of which 4.5 tonnes were shredded and recycled. The Bank’s ambitious digitisation strategy is continuously driving the reduction of our paper footprint across all business operations.

Cards

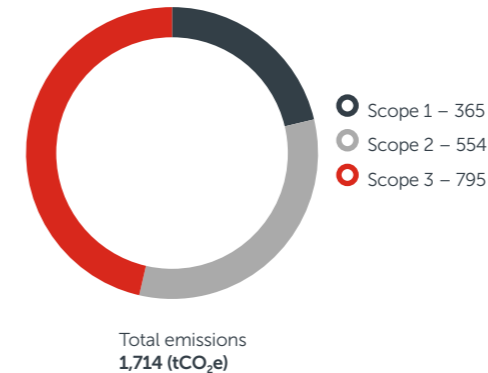
A significant share of the Bank’s total material consumption, including PVC, goes towards its cards and packaging materials. In 2021, a total of 20,134 banking cards were produced and issued. However, the Bank plans to improve its cards’ environmental footprint through several initiatives that target material reduction, circularity, and using sustainable materials, such as bio-composites as an alternative to PVC, in addition to setting up card collection and recycling schemes for the end of their life cycle.

GHG Emissions

ADCB–Egypt assessed the operational carbon footprint of its head office in 2021 as the first step towards a more comprehensive assessment covering all its sites of operations, which will be conducted over the upcoming years. The evaluation covered Scopes 1, 2, and 3 as defined by the GHG Protocol:

- **Scope 1:** Emissions associated with company-owned vehicles and diesel consumption by the emergency generator.
- **Scope 2:** Emissions associated with the consumption of purchased electricity from the national grid.
- **Scope 3:** Emissions associated with business travel by our employees (by road and air, including hotel stays), employee commuting, and well-to-tank emissions from fuel consumption.

ADCB -Egypt Head Office
GHG Emissions (tCO₂e)¹
2021



Future Outlook

ADCB–Egypt will improve existing environmental data management systems (including energy, water, material, and waste) across all branches to enable an analysis of consumption trends, set and achieve resource efficiency targets, and allow a more comprehensive assessment of ADCB–Egypt’s operational GHG emissions in 2022, with the results published in upcoming reports.

The Bank will also continue to engage with corporate and business banking customers on the data required to assess its financed emissions in accordance with international standards and in line with the ADCB Group’s strategy. This will be made possible by building our employees’ capacity for data collection, monitoring, and managing, in addition to raising awareness about climate-related risks and opportunities and climate reporting across the Bank. ADCB–Egypt is also committed to abiding by the Group’s policies, and adhering to local ESG reporting requirements.

Green Procurement and Supply Chain

ADCB–Egypt’s suppliers comply with local laws and regulations, yet the Bank wants to take a step beyond compliance.

Why It Matters

A sustainable supply chain is closely linked to reducing GHG emissions, cutting solid waste, and optimizing resource consumption. It also helps to ensure we source ethical goods and services as we look towards improving the well-being and working conditions of the employees and workers in our supply chain.

Our Approach and Progress

ADCB–Egypt’s aspiration for a green procurement process and supply chain contributes to a broader transition towards sustainability across its business relationships based on shared principles, norms, and criteria of how any business should operate. This commitment also facilitates learning and elevates green ambition, making sustainability a vivid competitive advantage and a must for any business that wants to succeed over the long term.

ADCB–Egypt is currently collecting contextual information on its supply chain management, including the types of suppliers, assessment criteria, local/global suppliers, and human and labour rights. In addition, to account for Scope 3 emissions along the supply chain, the Bank is considering developing a robust engagement plan with its leading critical suppliers.

Future Outlook

ADCB–Egypt will continue to update existing tier one supplier assessments to include environmental-related criteria while considering the significance of their weights in the overall scoring. We will also explore engagement opportunities with existing suppliers on the importance of shifting towards environmentally sustainable products and services and offer the needed assistance towards a more sustainable transition where possible. This could be achieved by building the capacity of the Bank’s Procurement Team and existing suppliers on green procurement practices.

ESG KPIs

249

Total number of suppliers in 2021.

84%

Percentage of local suppliers from total suppliers in 2021.

99%

Percentage of the procurement budget spent on local suppliers in 2021.





Customers and Communities

Why It Matters

ADCB-Egypt is built on recognising the customer's essential role in shaping the offering, reputation, and the Bank's strategic development. Strong customer focus and a unique suite of services will make ADCB-Egypt a preferred bank for its target segment and a trusted partner for anyone who has relied on it for any matter, big or small. Moreover, with the outstanding growth the Bank owes to its customers, it can reinvest into the communities across which it operates, helping them improve their quality of life and effectively use all the benefits of contemporary society. This creates a positive loop, where an opportunity for development as a leading bank emerges through building stronger and more capable communities.

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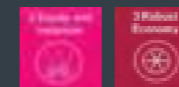
Our Ambition

Provide inclusive and innovative financial services to drive sustainable economic growth.

UN SDGs



Egypt Vision 2030 Goals



Customer Satisfaction

ADCB-Egypt is focussed on collectively building relationship excellence and anchoring a “customer first” culture by engaging staff through ongoing communication and involvement in various initiatives and rooting a strong ESG culture across the workplace.



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Entering a new market always comes with opportunities, challenges, and risks. Success becomes hard daily work building reputation, trust, loyalty, and following the ADCB Group’s model. However, delivering consistent experiences, continuously improving upon customer feedback, and training employees to be true ambassadors of the ADCB brand will allow ADCB-Egypt to gain a strong position. Recognising that this is just the start, we are determined to continue expanding on our initial achievements while staying open to whatever comes next.



Ines Kadri
Head of Communications, Sustainability, and Customer Excellence

Why It Matters

ADCB-Egypt places the needs and aspirations of its customers at the heart of its decision-making. To that end, customer satisfaction is one of the Bank’s most critical measures of success. As a result, ADCB-Egypt strives to ensure that all customers are aware of their options and feel empowered to make informed decisions about banking with us. That way, they can be addressed quickly and effectively when they have questions or concerns.

Our Approach and Progress

ADCB-Egypt is striving to be able to provide its customers with transparent, straightforward, and actionable advice on all matters so they can make informed and the best possible decisions in every situation. Therefore, the Bank’s products and services suite is designed to cover the majority of customer needs effectively and seamlessly, ensuring minimum time and effort are required for any given task.

The Bank also engages with its customers and collects their feedback through multiple channels, including call centres and complaints, customer service representatives, the Bank’s website, branches, social media platforms, and via app

store reviews. In addition, customers are assisted daily and trained on how to use the Bank’s digital services by ADCB-Egypt’s Digital Ambassadors, across all branches.

Furthermore, ADCB-Egypt is working on accelerating digital conversion and onboarding, supporting customer acquisition activities, and diversifying its clientele base to acquire and help more of the younger generation. The Bank also continues to evolve its social media reach to present and engage with its customers on new products and services.

Transforming Retail Banking for Customer Excellence

Retail banking provides financial and non-financial services to individual customers. Our retail banking strategy aims to deliver premium products and services, with a customer-centric vision and a competitive edge, while maintaining fair pricing and high-quality. The Bank implements a comprehensive five-year strategy, focussing on expanding market share in the affluent and corporate segments while maintaining a conservative approach to risk management, and continuously introducing new financial products

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and services, backed by accelerated digitisation. ADCB-Egypt launched multiple offerings to cater to the needs of its growing customer base and to build stronger customer engagement. This included the introduction of an “Excellency” segment, the successful launch of Visa Platinum, Infinite cards, and a new portfolio management service.

ADCB - Egypt has recorded strong growth in retail banking during 2021, including new digital offerings, dedicated relationship management, and strategic positioning across target segments. This has allowed it to grow retail loans by 20% in 2021 compared to 2020, and create a favourable context for future development.

ADCB Group is known for the quality of its services and digital advancement. As ADCB-Egypt, we aim to follow the steps of the Group model and become the most preferred Bank to our customers by providing unique and versatile products and services, from the convenience of digital wallets to security and confidence brought about by profitable management of wealth portfolios. Every employee is trained to ensure comprehensive product knowledge and meeting the expectations of the most demanding customers.



Adel Hashem Gomaa
Head of Retail Banking

Customer Satisfaction (Continued)

Delivering Excellence in Wholesale Banking

ADCB - Egypt expanded the range of corporate clients it serves. Growth was seen across many economic sectors, including infrastructure, manufacturing, transportation, real estate, and energy. By widening its networks and relationships, ADCB-Egypt is becoming an important partner for both UAE-based and Egyptian businesses. Corporate banking provides a broad range of products and services, such as short- and medium-term lending facilities, trade finance products, syndicated loans, and securitisation to its clients.

To promote sustainable finance, ADCB-Egypt is designing new products to enhance green loans related to renewables and energy efficiency projects to enable Egyptian corporates as well as SMEs to drive the country's transition to a green economy and contribute to the global fight against climate change and to be in line with Egypt's Vision 2030 and the SDGs.

The Central Bank of Egypt undertook several measures to increase lending to SMEs, extend financial services to the unbanked and promote digital financial solutions. Among the most notable SME support measures that came in 2021, occurred when Banks were instructed to increase SMEs' share of their loan portfolios to 25%, by the end of 2022 given their key role in boosting Egypt's economic growth. ADCB-Egypt aims to grow its market share and to be the

Bank of choice for SMEs through its facilitated customer-focussed services. ADCB-Egypt's SMEs strategy focusses on expanding its client base, and leveraging digital innovation and platforms among its services to SMEs, including non-financial services. The Bank also works to initiate fast-track lending and supply chain programs, while adopting behavioural scoring model (i-score). ADCB-Egypt's SMEs banking division is also working on cooperating with the Bank's branch network to train employees on providing financial solutions and support to SMEs across all branches. ADCB-Egypt also aims to hire qualified professionals and product specialists in cash & trade, and train high potential employees who graduated from ADCB Academy⁵ to support the Bank's SMEs' long-term strategy.

From Total Quality Management to Customer Excellence

ADCB-Egypt's Total Quality Management Department has been transformed into a Customer Excellence Department, whose mission is to pursue the ongoing transformation momentum and play a key role in creating a unique selling proposition via long-term relationship management and loyalty, accompanying new and existing customers in new ways, and the continuous enhancement in offered business and service levels.



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The year 2021 has marked a unique combination of multiple strategic initiatives that elevated ADCB-Egypt's wholesale banking to a new level. As our offering expanded, so did our client base, with the fastest growth in corporate portfolio assets among other Egyptian Banks. We onboarded large infrastructure and megaprojects while achieving incredible growth in net assets within the SMEs segment. Our recently established financial institutions team has built strategic new correspondent banking relationships across Africa, Asia, and Europe. Further, advances in global transaction banking continued to increase the suite of our products and services while improving their convenience and reducing costs. Those achievements have provided a solid foundation for further progress in 2022.”



Hisham Abbas
Head of Wholesale Banking

⁵ Learn more about ADCB Academy under the section "Employees".

Customer Satisfaction (Continued)

Building a Culture of Collaboration For Customer Excellence

The Bank believes that achieving customer excellence requires collaborative work on products, policies, business operations, as well as people and innovation management across all departments of the Bank. Therefore, the Customer Excellence Department also focusses on collaboration with key departments, including business banking, operation and process improvement, IT and digital banking, and HR. In addition, the Bank aims to increase its capacity and distribution channel targets to have a strong portfolio through working with product teams to target new segments, monitor sales to ensure product diversity, and build employee capacity to foster a customer-centric culture.

Complaint Management

Complaint management is managed by the Bank's Customer Care Team (CCT), whose role is to handle customer complaints through the various engagement channels, and to ensure service quality, customer retention, and loyalty, with a target of closing 90% of complaints successfully. The CCT is also guided by the CBE's regulations and regulatory compliance policies.

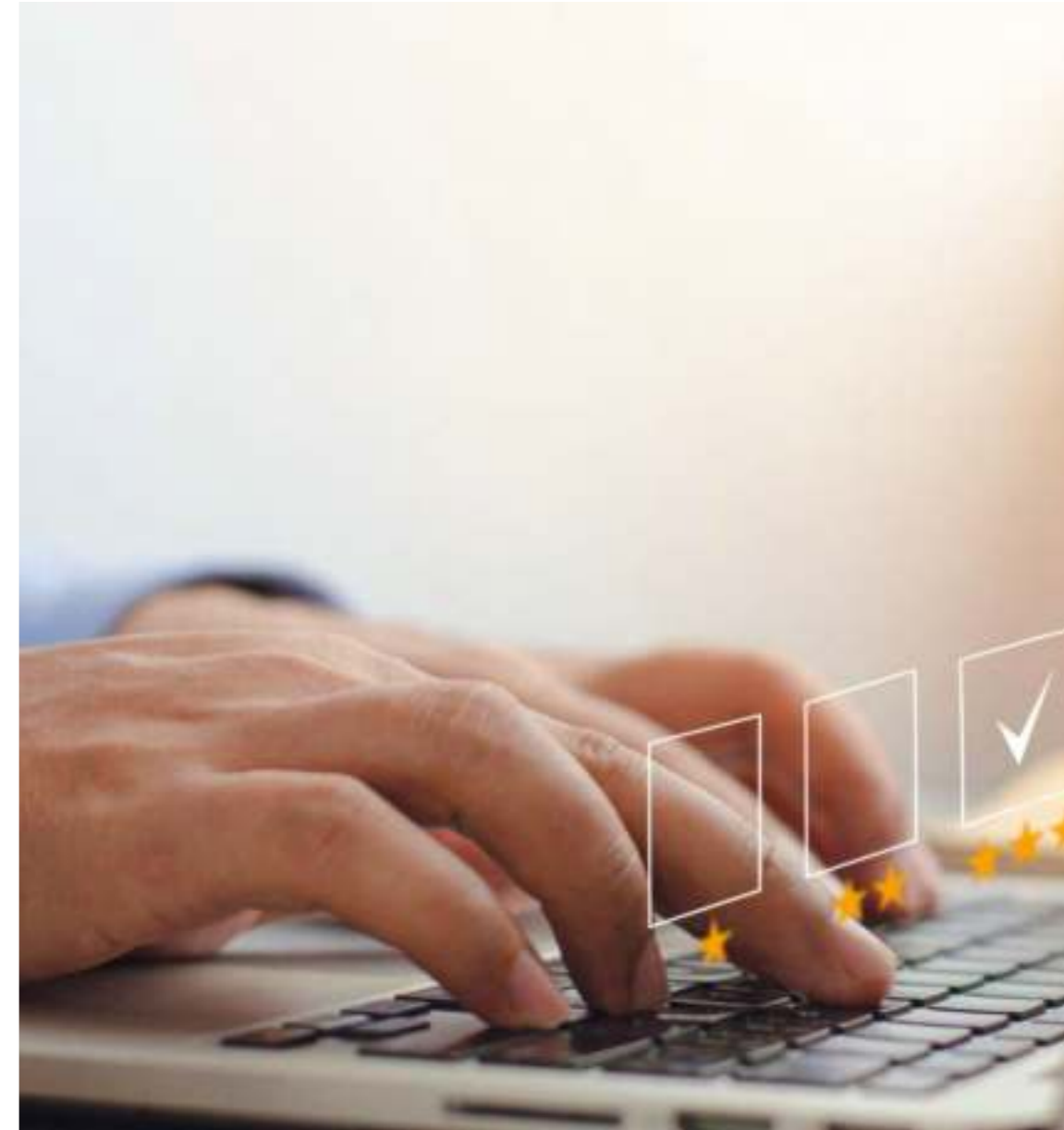
Furthermore, the Bank is keen to ensure that customers' convenience and preferences are met when reporting complaints by availing various channels to enable this, including the Customer Care Unit, the call centre, branches, and social media platforms, or directly through the Customer Rights Protection Unit. The Bank also considers any complaints received via any other unconventional channel.

The CCT operates and handles all complaints according to the Bank's Complaint Management Procedure and SLA. As a result, handling complaints may take 5 to 15 working days as per the CBE instructions. The CCT then communicates with the customers through recorded calls or SMS to provide feedback.

In 2021, the total number of complaints received was 1,475, of which 1,224 (83%) were resolved within the committed time. In addition, the 90% target for the percentage of call centre calls answered within 20 seconds was achieved, surpassing the actual target of 80%. The quality of calls also met the 90% target.

Future Outlook

The main focus areas for leveraging customer satisfaction at ADCB-Egypt across several dimensions have been assessed, and several solid steps were taken during 2021. The Bank is also continuing to implement additional measures for achieving the desired customer excellence outcomes, including evaluating the current gaps and identifying quick wins, measuring the NPS and other significant metrics, performing an analysis of the results, mapping the findings against the market and ADCB Group's best practices, regularly engaging with stakeholders through enhanced channels, and continuously monitoring the results to ensure customers' needs and expectations are perfectly met. In addition, ADCB-Egypt is currently transitioning from customer excellence to customer experience to improve the overall customer journey and develop its brand loyalty within the region, in line with ADCB Group's direction during 2022.



Financial Inclusion

ADCB-Egypt enables and promotes access to safe and affordable products and services, particularly for lower-income customers and PwDs (People with Disabilities).

Why It Matters

Financial inclusion is a priority focus area for ADCB-Egypt, as the Bank is working to further improve access for people with disabilities, empower women, and spread financial literacy among the youth, as well as empower them financially. Therefore, ADCB-Egypt has an integrated vision for financial inclusion, "Inclusion via Empowerment", to efficiently integrate the targetted segments into the financial system. This vision is in line with the directions set by the government and the Central Bank of Egypt (CBE).

Our Approach and Progress

ADCB-Egypt empowers its customers to benefit from the full scope of modern digital opportunities, pairing straightforward offerings with customer-centred awareness initiatives. The Bank has also primarily focussed on making finance accessible to diverse groups, including over 40% women and 17% youth among its retail customers.

Therefore, ADCB-Egypt is deploying ongoing efforts as part of its plan to empower the targetted segments to ensure their efficient integration into the financial system. This financial inclusion is also a part of the Sustainability Department, an arm to support the dissemination of banking products and attract new banking segments.

Furthermore, the Bank's Financial Inclusion Strategy is being implemented and is at the forefront of the Bank's strategic priorities. ADCB-Egypt also ensures its alignment with the CBE's financial inclusion principles and requirements by continuously mapping its efforts and initiatives to these, as well as setting targets to achieve and lead on the goal of becoming the bank of choice for underrepresented segments.

corporate internet banking, a corporate debit card, ProCash transaction access, with no minimum balance requirements.

Empowering People with Disabilities (PwD)

ADCB-Egypt is pioneering the integration of PwDs into the banking system since this segment represents around 12% of Egypt's population per CAPMAS (Egyptian survey centre). Therefore, the Bank conducted an extensive consultation exercise to understand and meet their needs and launch a series of initiatives. ADCB-Egypt also solicited the expertise of several specialised organisation and held many engagements with different representatives of PwDs. Accordingly, the following actions were implemented:

- **Improving Wheelchair Accessibility** – Equipped two branches with portable ramps, with seven others undergoing the necessary changes, and installed wheelchair-accessible ATMs.
- **Braille Documentation** – Customer banking documents in braille are now available across all ADCB-Egypt branches.
- **Employee Training** – Trained customer-facing employees across main branches in sign language.

Empowering Youth and Women

ADCB-Egypt launched the Diamond Campaign, aimed at the financial inclusion and empowerment of women. The campaign offered free opening of saving accounts to encourage women to save and invest for the future.

ADCB-Egypt also visited four top Egyptian universities in 2021 and targetted the youth with tailored offerings and promotions. This allowed over eight hundred students to be included in fun financial inclusion engagement activities, as well as learning opportunities and training sessions.

Future Outlook

ADCB-Egypt plans to conduct further activities across several universities and extend it to international schools to engage and include the youth in the financial system and educate them on financial inclusion. In 2022, ADCB-Egypt plans to organise many hackathons and activations with several schools and universities, together with the NilePreneurs initiative to include SMEs. In another outlook, the Bank is still working to improve PwDs' accessibility to its financial services. Therefore, the



Bank is working on facilitating priority treatment of PwDs and improving customer request handling through revising and updating its policies.

Furthermore, ADCB-Egypt is working on adding to its "Erada" package with a new tailored personal loan with a subsidised interest rate, which is an unprecedented support from a private bank in Egypt. This should offer better access to finance for PwDs to overcome their disability and enhance their quality of life. On the empowerment side, understanding that health is a crucial issue for PwDs as well as access to convenient and affordable health services, ADCB-Egypt has dedicated 40% of its CSR budget to hospitals to support treating illness or genetic problems from an early age as well as disabilities that might occur during their lives. These hospitals are the Ahl Misr for burns and the Nile of Hope, which treats congenital disabilities.

Case Study

Launching The “Erada” (Willpower) Package

ADCB-Egypt launched the “Erada” package in 2021, the first in Egypt that offers integrated banking and non-banking benefits for empowering PwDs. The package includes opening a savings account with no opening, service, or minimum fees, a Meeza card with no issuance fees, a discount medical card (up to 65%) with high coverage networks, and prosthetic devices at reduced costs. As a result, the Erada package supported over two hundred beneficiaries during 2021.

However, based on round table discussions and stakeholder engagement conducted under the patronage of the Ministry of Social Solidarity to discuss the topics around the different-abled, PwDs in Egypt require more social support and efforts for inclusion. Therefore, ADCB-Egypt has decided to acknowledge the end of 2021 with several PwD successful models and presented them in a series of videos on social media. Since Erada means willpower in English, the Bank believes these individuals serve as role models for the underprivileged segment and motivate them to pursue their lives on a firmer basis.

You can check out the videos of the featured role models [here](#).



Case Study

ADCB Digital Ambassadors with the Arab Academy for Science, Technology, and Maritime Transport (AAST)

An internship program was availed to twenty-five students from AAST in their senior year to support the Bank's digital transformation. In addition, an awareness session was also conducted for the students on financial inclusion, digital transformation, and innovation in the banking sector, focussing on strategies to support the customers with digital transformation migration. The top students were then evaluated and selected for hiring in computer science positions at the Bank in accordance with its hiring policy.



Case Study

“Banking on Brains” Ideation Competition

ADCB–Egypt organised a hackathon targeting digital solutions for the Bank. To kickstart the initiative, an awareness session about financial inclusion, digitalisation and innovation was conducted for students from different majors at the Zewail City of Science and Technology. Following the session, eighty students were provided with varying problem statements and asked to develop creative solutions for them. In addition, to assist the students, a series of online technical sessions were provided by the Bank’s digital-related departments. Finally, to evaluate the students’ solutions, a committee was formed with ADCB–Egypt’s Head of IT Application and Head of Digital, as well as a Zewail City Professor and the Director of Communications and Information, to decide on the most innovative solution.



Digital and Innovation

ADCB-Egypt strives to keep pace with and work towards leading the market in digital innovation and ensuring it offers customers reliable and convenient products and services in a rapidly changing market.

“

ADCB-Egypt has developed its 2020-2022 IT Strategy with a vision of creating fast, agile, service-oriented, and innovative technology services. The strategy has also been designed to provide a comprehensive assessment of current technology capabilities, define the necessary skills and development prospects, and outlines a pathway for improving digital service delivery, infrastructure, applications, and governance. In addition, the strategy also focusses on supporting and developing an appropriately skilled IT workforce to foster accountable, innovative, and high-quality technology-based services to our customers and business partners.



Hisham Mohy
Head of Information Technology

Why It Matters

ADCB-Egypt believes in a digital, interconnected, and dynamic economy where virtually every service and product can be accessed online, and every financial need can be met within a few clicks. However, this all-encompassing digitalisation is only possible with everyone on board, from engaging suppliers to ensuring the Bank's offerings improve customer experience, simplify their routines, and allow for smarter financial decisions.

Our Approach and Progress

ADCB-Egypt has implemented an accelerated digital transformation plan to align with and lead current digital solutions, aiming to enhance the services and products offered to its customers in light of the new normal following the COVID-19 pandemic. Therefore, the Bank has introduced internet and mobile banking platforms for both corporate and retail customers, with major changes implemented to the interfaces of both applications to enhance user convenience and experience. ADCB-Egypt also continues to elevate its digital space by developing new digitised services while introducing further enhancements and features to its existing services for a better customer experience.

Furthermore, the Bank launched its digital wallet, "Wa2ty", which allows customers to transfer and receive money from other wallets across Egypt, cash in/out transactions from any merchant,

and pay bills with all service providers. Presently, more than 50% of all transactions are currently conducted through digital channels. In addition, internet and mobile banking users grew to more than 20,000 in 2021, which included 42,370 digital transfers, while maintaining the percentage of transferring cash deposits from branches to cash deposit machines at 53%.

ADCB-Egypt has also launched its chatbot "AREF", which uses modern artificial intelligence to serve customers and answer their inquiries 24/7 on the Bank's website. In addition, over 100 new ATMs were installed, some designed to support people with disabilities, and a third drive-thru ATM was established.

Currently, all ATMs are equipped with a "Cardless Deposit" feature, in which 86% of the deposits are now being carried out via this feature, in addition to paperless digital receipts, contactless tap-and-go ATM transactions, and improved customer experience banking ATM software.

Additional recent improvements also include advancing the FX Exchange, Dynamic Currency Conversion, installing Interactive Teller Machines (ITMs), availing bill payment services, as well as the ability to issue instant Tax Deducted at Source (TDs) and Certificates of Deposit (CDs).



Future Outlook

As we advance with digital innovation, ADCB-Egypt aims to further increase its digital services and user experience innovation through multiple services and products, including introducing a biometric login feature, WhatsApp and tablet banking, and availing instant card issuance across branches. The Bank is also working on improving and advancing its IT infrastructure to support the development and accommodation of such services. In addition, the Bank aims to launch a digital solution of mobile banking that allows new customers to start a banking relationship remotely in just a minute.

ESG KPIs

+305%

The percentage increase of internet and mobile banking subscribers from 2020 to 2021.

+50%

The percentage of total transactions conducted through digital channels.

Community Investments

ADCB-Egypt supports the communities in which it operates through volunteering, services, and partnerships.

Why It Matters

ADCB-Egypt engages with local communities and organisations to deliver tangible and relevant socioeconomic benefits that contribute to its sustainability progress and are in line with specific community needs while considerate towards actual capacities and self-sustainability of the implemented initiatives.

Our Approach and Progress

The Bank places social responsibility at the top of its priorities, as reflected by the donations and investments made across diverse sectors aiming to create long term partnerships and longer impact.

In 2021, ADCB-Egypt donated a total of EGP 5 M. This encompassed the Bank signing a three-year cooperation protocol to provide EGP 10 M to support the Ahl Misr Hospital and Research Centre for the free treatment of trauma and burn victims. The hospital has an intensive care unit, a surgical department, an inpatient department, a laser treatment centre and outpatient clinics and is considered the first institution in the Middle East and North Africa to treat such cases. ADCB also supported and donated to "The Fund of Long Live Egypt" in 2020 and 2021 to support those affected by COVID-19 since the pandemic's beginning.

In addition, ADCB-Egypt donated to the "Baheya" Foundation for Early Detection and Treatment of Breast Cancer to support the hospital's progress and expansion projects and give equal healing opportunities to all breast cancer fighters without discrimination. The Bank also donated to the 57357 Children's Cancer Hospital.

ADCB-Egypt's role was not only limited to supporting a particular sector, but it was also extended to several other vital sectors and activities that benefit the Egyptian citizen, such as labour market development, elderly and orphan support, as well as the preservation of the environment, rationalisation of energy consumption, and a reduction of carbon emissions, all towards a sustainable society.

Future Outlook

ADCB-Egypt will continue to support local communities wherever it has operations and is committed to donating 1.5% of its profits to community investments. We are also committed to aligning with the ADCB Group's Donations Policy and national strategies and initiatives, in addition to the CBE's community empowerment initiatives.



ESG KPIs

EGP 5 M

Direct donations in 2021.



Responding to COVID-19



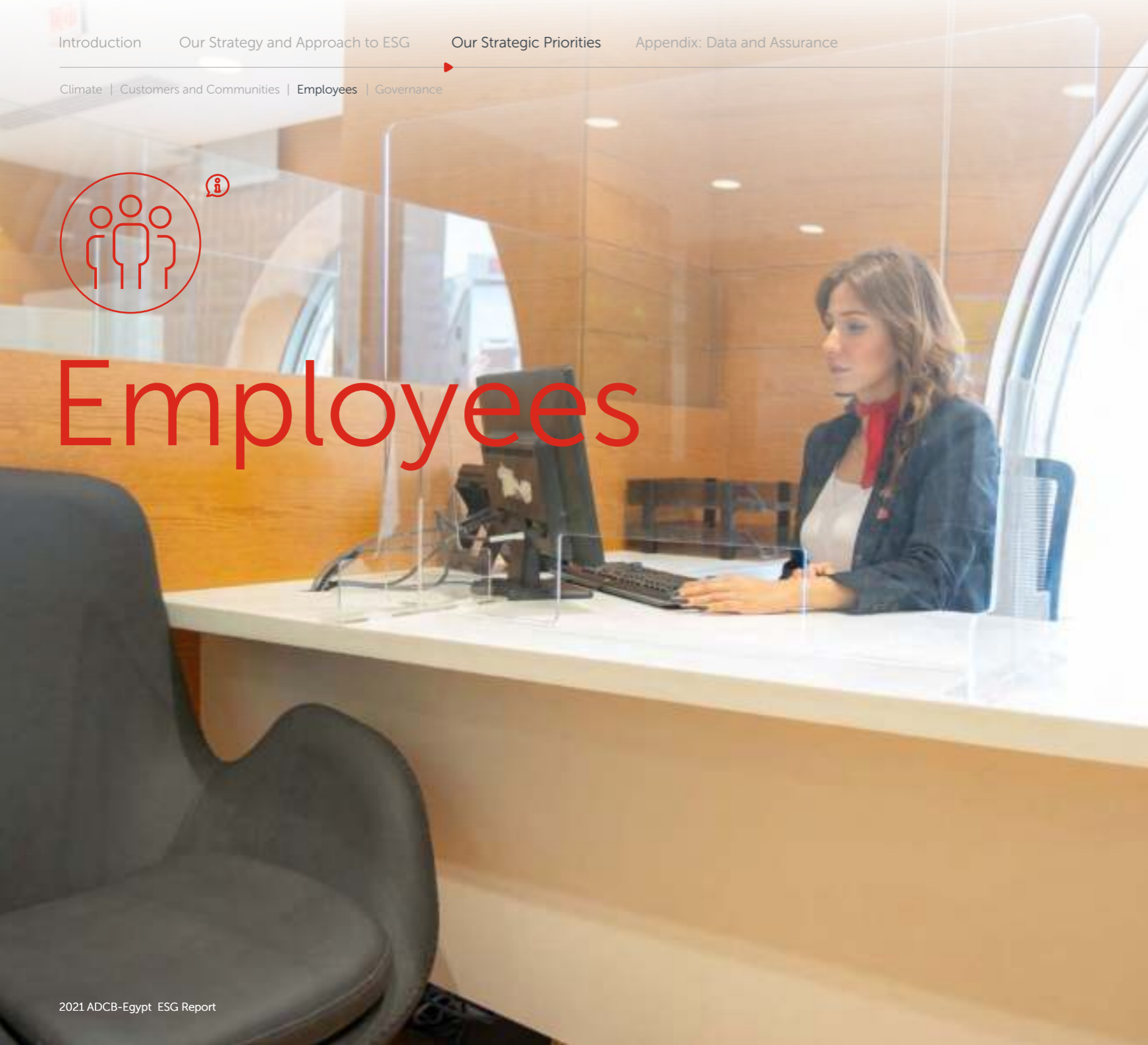
Supporting the Community's Health & Wellbeing



Empowering Women



Employees



Why It Matters

ADCB-Egypt recognises the value generated by its employees as a primary driver of its development and growth. Therefore, the Bank invests in providing a workplace where everyone can realise their talent, grow professionally, and see their input acknowledged, appreciated, and fairly remunerated.

Our Ambition

Create a thriving workplace that attracts and retains the most talented and committed people.

UN SDGs



Egypt Vision 2030 Goals



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Employee Engagement and Well-Being

Employee well-being is a top priority for the Bank.

“

I believe it is our people who bring life into the organisation, enable and grow its value proposition, and make it stand out when it comes to customer experience and creative solutions. The Bank’s employees also represent unique expertise, devotion, and talent combinations. I am delighted to see how readily they embrace continuous innovation and change as elements of ADCB-Egypt’s identity, corporate culture, and way of doing things. Furthermore, we strive to further invest in those talents by investing in the quality of our training programs and capturing every opportunity to help our employees make the best of their workplace, careers, and lives.



Amin Shawky
Head of Human Resources

Why It Matters

ADCB-Egypt strives to provide the best proposition on the job market, including comprehensive benefit packages, a work-life balance, and employee engagement. We believe this is essential to attract and retain the talent that will drive our success in years to come.

Our Approach and Progress

We maintain a talented and diverse workforce, with employees from all over Egypt. We also remain committed to supporting gender diversity efforts, cultivating our distinctive culture, and empowering of local talent. As part of this commitment, we take pride in maintaining our employee value proposition, which contributes to the Bank’s strategic objectives via our dedicated Human Resources (HR) Department. We also carefully listen to the voice of our staff, and in 2021, we achieved a 93% participation rate in the employee engagement survey.



Case Study Cherishing and Nurturing Young Talent Through the ADCB Academy

ADCB–Egypt is keen on attracting and retaining talent and helping them grow with the Bank.

In 2021, ADCB–Egypt attracted and recruited a total of 191 employees, including forty distinguished fresh graduates who were hired after completing a comprehensive training and development program at the Bank through the ADCB Academy. In addition, ADCB–Egypt is fully focussed on bringing out the future digital leaders by investing in the youth, and over 50% of the Bank’s new hires in 2021 were under 30 years.

Out of ADCB–Egypt’s belief in the youth as the future developers of the next digital phase, the Bank launched the “ADCB Academy” in January 2021, an initiative that fosters young, fresh graduates by providing a comprehensive training program for a period of six months, across ADCB–Egypt’s various functions and departments.

The training program focusses on offering fresh graduates the needed practical skills to kick-start

their careers in the banking sector. In addition, the training program has been prepared in collaboration with specialised entities, including the Egyptian Banking Institute, and in accordance with the latest recognised international standards. Therefore, besides theoretical knowledge, the program also focusses on practical training. As a result, it offers the graduates the opportunity to work hands-on across ADCB–Egypt’s departments to familiarise them with the nature of the Bank’s work culture and to prepare them for working at a bank.

In June 2021, ADCB–Egypt proudly celebrated the graduation and hiring of ADCB Academy’s first batch of forty fresh graduate trainees from several Egyptian and international universities who have undergone numerous tests and interviews following their training period.



Employee Engagement and Well-Being (Continued)

Prioritising Staff Health

ADCB-Egypt cares about the safety of its staff. Therefore, ADCB-Egypt always seeks to ensure that its working environment is safe and conducive to their overall health and well-being. Currently, ADCB-Egypt deploys a Medical Insurance Policy that covers all employees, including annual medical coverage and savings insurance.

In addition, the COVID-19 pandemic forced the Bank to take extraordinary measures to ensure that all its functions are carrying out their duties and responsibilities while reducing the risk of spreading infection. Therefore, the Bank's response to COVID-19 included a dedicated Working from Home policy, in which all employees received laptops to enable working from home and allow them to remain productive. E-meetings were also often held instead of physical ones, and staff capacity on-premises has decreased by 50%.

Furthermore, as an additional response to the pandemic, actions were taken to mitigate and manage various health risks, including raising awareness on hygiene protocols and enforcing hygiene procedures, providing face masks, gloves, and sanitizers, and ensuring that all people entering the Bank were wearing masks and checked with handheld thermometers. The teams also executed a weekly deep clean plan, maintaining constant communication with the CBE's Security Division. In addition, a vaccination program was also conducted for employees, their families, and contractors dealing with the Bank.

In 2021, the Bank did not have any work-related injuries reported.

Ensuring Safety Across the Bank's Premises

ADCB-Egypt's Security Division maintains a smoke-free environment via continuous monitoring and coordination with the HR Department. Fire hazards are also mitigated by fire prevention, control of combustibles, ignition sources, human acts and housekeeping maintenance, continuous monitoring and maintenance of escape routes, and continuous testing and maintenance of the detection and alarm systems. In addition, sprinkler systems, automatic extinguishers, and fire hose reels are regularly monitored, and manual fire extinguishers are appropriately distributed. Mock fire drills are also carried out and reported.

First aid kits are periodically monitored and resupplied to ensure availability in the case of any emergency. The Security Division also responds to all risks from force majeure (acts of nature) to minimise damage and ensure the continuity of business operations.

Meaningful and Productive Employment

In line with the Group's priorities, ADCB-Egypt seeks to ensure meaningful, efficient, and productive local employment so that every individual can effectively contribute to the national economy as part of a highly skilled and futuristic workforce. Therefore, the overall goal of ADCB-Egypt's Performance Management Policy is to ensure that the organisation and all of its subsystems (processes, departments, teams, and employees) are working together optimally to achieve the results desired by the organisation

Efficient Performance Management

Performance management emphasises that being busy is not the same as being productive or result oriented. Instead, the primary goal of performance management is to focus on achieving results—effective products and services for customers, inside and outside the organisation.

Achieving the overall organisational goals requires ongoing activities, including the identification and prioritisation of the desired results and objectives, establishing appropriate means to measure progress, setting standards for assessing how well results were achieved, exchanging ongoing feedback among participants, reinforcing activities that achieve results, and intervening to improve progress if and when needed.

Performance management is also implemented with a focus on ensuring that the work performed by employees is aligned with the Bank's vision, mission, values, and business strategy. Therefore, employees are expected to clearly understand the quality and quantity of work expected from them. In addition, they are entitled to ongoing feedback about how effectively they perform relative to expectations. Employees also receive appropriate guidance and support for the successful achievement of their objectives, while the developmental needs of employees are on a timely basis and efficiently fulfilled.

Human Resource Management System

has been introduced to facilitate communication between the employees and Human Resources and improve the workflow.

Introduction of SAP Electronic System and Success Factors Performance Management assessment to evaluate and measure all employees' performance bi-annually at all levels. Enhancing two-way communication between employees and managers and aligning individual objectives with the Bank's strategy through continuous development and regular follow-up plans.

Future Outlook

ADCB-Egypt recognises the importance of physical, mental health and well-being and is committed to ensuring that its employees are protected in this regard. As a result, the Bank will benefit from attracting talent, retaining qualified staff, and securing prosperity and sustainable success. Therefore, we have adopted every reasonable measure to provide a safe and healthy working environment alongside additional programs and standards to promote our people's health and well-being in the workplace.

As part of aligning with the ADCB Group and further supporting a healthy culture across ADCB-Egypt, the Bank also plans to begin its participation in Organisational Health Index (OHI) surveys in the upcoming year.

ESG KPIs

93%

Participation rate in the employee engagement survey in 2021.

1,093

Total Employees
30% Females

Examples of our HR Policies and Procedures

- Recruitment Policy
- Performance Management Policy
- Learning and Development Policy
- Employee Benefits Policy
- Employee Loan Policy

Learning and Development

We support our employees' skill development, career advancement, and workplace success.

Why It Matters

Based on needs analysis, the Bank has successfully combined Technical Professional Banking, Behavioural Training, and Mandatory Training across physical and digital channels. Furthermore, with the launch of the new learning platform, ADCB-Egypt has given its employees access to organisational knowledge, practical guidance, and best practices on a full range of relevant topics. The Bank clearly sees benefits behind innovation and expects to further leverage digital tools and capacities to empower its employees to be experts in their fields.

Our Approach and Progress

Fostering a Workplace Culture of Continuous Learning

The Bank continuously develops its employee development approach, including its employees' succession planning strategy. ADCB-Egypt has also adopted a Learning Management System (LMS), which gives employees access to more than 1,400 e-Learning programs. Training sessions are delivered both online and physically. Furthermore, a staff recognition program has been launched, focussing on service excellence. ADCB-Egypt's Learning and Development

Team also maintains a full training plan based on the needs analysis conducted across the Bank's functions and teams. The training plan incorporates three main categories: Technical Professional Banking, Behavioural Training, and Mandatory Training.

Moreover, the ADCB Leadership School program was implemented to develop leadership skills across all leadership levels, and we adopted the Leadership by Coaching theory across the Bank. In 2021, a total of 59,917 training hours were delivered to employees across ADCB-Egypt.

Performance and Career Development Reviews

ADCB-Egypt ensures that all employees are constantly provided with constructive feedback and career development reviews across all levels. As a result, during the reporting period, 95% and 92% of the Bank's male and female employees, respectively, were provided with performance and career development reviews.

Future Outlook

ADCB-Egypt will continue to invest in its main asset – its people – by building their capacity across all disciplines, including ESG-related issues, and through improved and personalised career development programs. The Bank also looks to further elevate learning through technology, consider its employees' ever-changing needs, and support an inclusive and open working culture.



Equality, Diversity and inclusion

Inclusive businesses empower their employees, who, in turn, serve their customers better and generate superior performance.

Why It Matters

ADCB-Egypt recognises that providing fair and equal opportunities is fundamental to attracting and retaining talent, sustaining a vibrant organisation, and delivering creative solutions.

Our Approach and Progress

In 2021, the Bank continued to assess the current organisational culture, internal procedures, and representation of diverse groups across its departments and organisational levels, to understand the key areas for further improvements. With robust data and a clear understanding of priorities, ADCB-Egypt is ready to step up in this area.

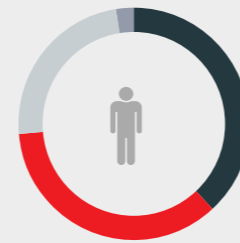
ADCB-Egypt's workforce comprises 70% male and 30% female employees, with the gradual integration of PwD into the workforce. Most of the Bank's employees are within the 25-34 age group, with a total of 38% and 57% male and female employees, respectively.

Future Outlook

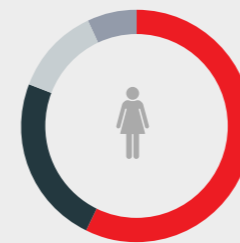
ADCB-Egypt believes that building a diverse and inclusive organisation is a continuous process. Therefore, we aim to advance the role of women in senior positions and across the Board, as well as support the representation of under-represented minorities across the Bank's various departments and functions. Furthermore, with a particular focus on PwDs, we aim to achieve the national requirement of 5% employees with a disability by 2025 by attracting them through improved facilities and policies.

ESG KPIs

Employee Diversity by Gender across Age Categories

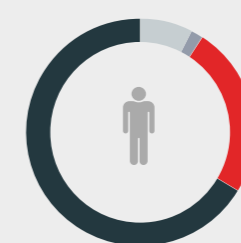


- Under 25 Years – 2.5%
- 25-34 Years – 38.2%
- 34-45 Years – 35.5%
- Above 45 Years – 23.8%

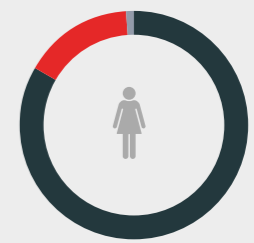


- Under 25 Years – 6.9%
- 25-34 Years – 57.2%
- 34-45 Years – 23.8%
- Above 45 Years – 12.1%

Employee Diversity by Position (%)



- Entry Level – 65.5%
- Mid-Level – 24.2%
- Senior and Executive Level – 1.7%
- Others* – 7.7%



- Entry Level – 83.4%
- Mid-Level – 15.7%
- Senior and Executive Level – 0.9%

*Others: ADCB-Egypt reports subordinate staff on the Bank's payroll under this category.



Governance

Why It Matters

ADCB-Egypt strictly complies with all applicable requirements and applies international best practices and regulations, with zero tolerance for the violation of its business conduct and ethics. Furthermore, the Bank applies proactive mechanisms to ensure transparency, accountability, and integrity across every context in which it operates.

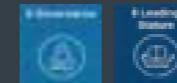
Our Ambition

Operate a responsible business with the highest ethical standards to preserve integrity and trust.

UN SDGs



Egypt Vision 2030 Goals



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Corporate Governance, Compliance and Code of Conduct

ADCB-Egypt’s corporate governance is tightly integrated with and built upon the ADCB Group’s Governance Framework.

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I believe that a strong corporate governance framework and culture translates to a strong company that delivers for its shareholders. Directors and management at ADCB-Egypt are committed to conducting business ethically, fairly, and transparently in accordance with the high standards of corporate governance. The Board, together with the management team, leads by example. At ADCB-Egypt, we have a robust corporate governance framework in place in which the system safeguards the overall financial system, and it is not limited to ADCB shareholders extending the controls to safeguard the entire ADCB Group. Growing a compliance culture across the Bank paired with an informed advisory, and dedicated control framework and

structure ensures profitable growth occurs on a strong foundation. We are committed to fostering a culture of compliance that values personal and corporate integrity, accountability, and continuous improvement.



Yasmine El-Abd
Head of Compliance and Corporate Governance

Why It Matters

Banks play a crucial role in the economy by allowing savers, depositors, and enterprises to access funds that are then used, which helps support and drive economic growth. Therefore, the banking sector is critical to the proper functioning of the economy, and corporate governance is key to the safety and soundness of the industry.

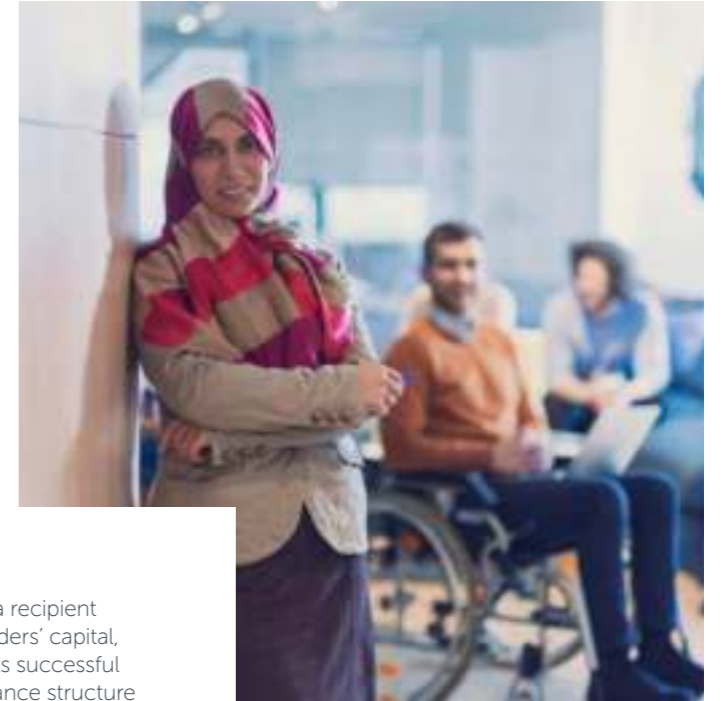
Our Approach and Progress

ADCB Group’s success is owed, in part, to its coherent Governance Framework operating up to the highest international standards of good corporate governance. Clear Group guidance paired with a strong local vision and dedication has allowed ADCB-Egypt to stand behind its responsible banking commitments while ensuring effective operations and sound decision-making.

ADCB-Egypt believes in and is committed to good corporate governance to provide a basis for its future development and corporate performance,

to support trust in its activities as a recipient of depositors’ funds and shareholders’ capital, and to enable it to contribute to its successful development. The Bank’s governance structure is led by the Board, which is responsible for guiding the Bank, including setting its strategy. In addition, the Bank has a number of Board and management committees which, together with their other responsibilities, oversee and monitor the Bank’s day-to-day activities.

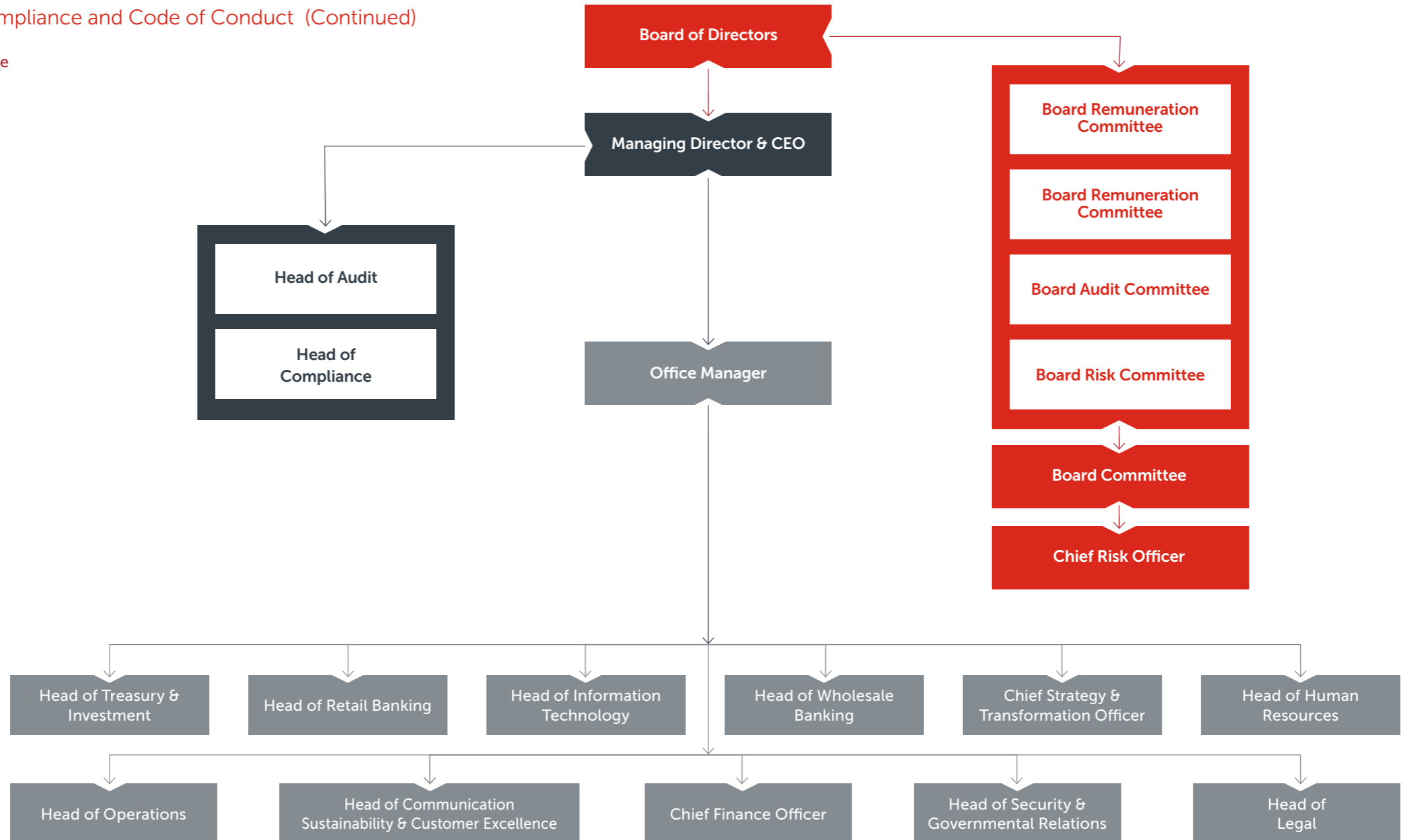
The Bank has also established appropriate governance frameworks comprising of processes and policies, including those related to risk management, executive remuneration, financial stability, and compliance with legal frameworks and regulations, to ensure ADCB-Egypt is managed in the long-term interests of its stakeholders.



Corporate Governance, Compliance and Code of Conduct (Continued)

ADCB-Egypt Organisational Structure

As of December 2021



Corporate Governance, Compliance and Code of Conduct (Continued)

Board of Directors

As of December 2021

The Bank's Board of Directors (BoD) holds absolute responsibility for the general oversight of the Bank's activities and its governance system. It also ensures the effectiveness of the Bank's operations, strategy implementation, supervision of Bank management, and the mitigation and management of different risk types.

Defining the compliance principles and approving the Compliance Policy set up by the Audit Committee is one of the BoD's primary responsibilities, in addition to ensuring the Compliance Policy includes a Compliance Charter. With the Bank's compliance principles and policy in hand, the BoD defines the Bank's main strategies and objectives and follows up on their implementation and dissemination among the Bank's employees. Simultaneously, the BoD pursues the Board Committees' recommendations and approves various policies throughout the Bank, including, the Corporate Governance Policy, and the Anti-Bribery and Corruption Policy.

On an ongoing basis, the BoD also periodically evaluates the Bank's governance and internal control policies and practices. It also monitors and manages any conflict of interest or misuse of the Bank's assets and related party operations, focusses on safeguarding effective mechanisms for identifying, assessing, and mitigating risks, and duly oversees and manages any potential conflict of interest regarding the Bank's management. Naturally, the BoD approves the Terms of Reference and responsibilities of the Administrative and Management Committees while simultaneously approving the selection of the Bank's Senior Executives, overseeing their performance, and ensuring a clear succession plan for the central executive positions is executed.

The Board membership term is three years or a maximum of 6 years for the Non-Executive Members, except for the Executive Director, as per regulatory instructions.



H.E Mr. Mohamed Dhaen Mahasoon Alhamli

Non-Executive Chairman
Number of Meetings: 9/9
Tenure: 3 years and 1 month



Mr. Ihab Abdelaziz Fahmy El-Sewerky

Board Member (CEO and MD)
Number of Meetings: 8/9
Tenure: 3 years and 9 months



Mr. Karim Magdi Mohamed Galaleldin Elkhadem

Non-Executive Member
Number of Meetings: 9/9
Tenure: 1 year and 11 months



Mr. Adnan Omar Mohammad Al-Ismael

Non-Executive Member
Number of Meetings: 9/9
Tenure: 1 year and 11 months



Mr. Zoheir Ishaq Sulaiman Mohamed Abou-Shousha

Non-Executive Member
Number of Meetings: 9/9
Tenure: 1 year and 7 months



Mr. Mohammed Hussam Saleh Abdulhameed Akasha

Non-Executive Member
Number of Meetings: 9/9
Tenure: 1 year and 7 months



Mr. Hisham Abbas Hassan Abbas

Executive Member
Tenure: Joined on the 14th of December 2021



Mr. Yusuf Abdulaziz Alharmudi

Executive Member
Resigned in March 2021 due to completing two Board terms.

Corporate Governance, Compliance and Code of Conduct (Continued)

Board Committees

The Board has established four Board Committees to help it carry out its duties. Each committee is tasked with examining specific aspects of Bank operations and advising the full Board. Each committee's Terms of Reference, which are periodically reviewed and revised as necessary, specify the duties and obligations of each committee. The suitability of committee members for their duties and their ability to adhere to regional and global best practices for corporate governance are also routinely assessed. ADCB-Egypt also has a robust monitoring system to differentiate performance and accountability lines. As a result, the Bank's Board of Directors can oversee operations and exercise authority to guarantee the reliability of internal control procedures. With these safeguards, the Bank is confident that its operations and risk management are safe and effective.

Audit Committee

Committee Members



H.E. Mr. Mohamed Dhaen Mahasoon Alhamli
Non-Executive Chairman



Mr. Adnan Omar Mohammad Al-Ismael
Non-Executive Member

Main Responsibilities

No. of Meetings in 2021

- Appoint Audit Team members and ensure unhampered communication across the Bank's auditing functions and members essential to the auditing process.
- Appoint financial statement auditors.
- Discuss issues of relevance regularly with the Head of Internal Audit, Head of Compliance, and with the Internal Audit Team.
- Review and approve:
 - The annual internal auditing plan
 - Reports prepared by the Internal Audit Team.
 - Reports prepared by the Compliance Officer related to applied legislation violations, the Bank's internal bylaws, and the CBE's instructions.
- Examine obstacles facing the internal auditing process and propose solutions.
- Ensure smooth communication between the internal inspector's direction, the auditors, the BoD, and the committee.

4

Corporate Governance and Nomination Committee

Committee Members



Mr. Adnan Omar Mohammad Al-Ismael
Non-Executive Member



Mr. Karim Magdi Mohamed Galaleldin Elkhadem
Non-Executive Member

Main Responsibilities

No. of Meetings in 2021

- Assess the Bank's governance system and prepare the Corporate Governance Report.
- Propose changes to the governance policies authorized by the BoD.
- Review the Bank's Annual Report, focussing on governance disclosures and issues.
- Prepare reports on the BoD's performance.
- Provide nominations of independent members, appoint new members, and renew or discharge members.

2

Corporate Governance, Compliance and Code of Conduct (Continued)

Board Committees (Continued)

Remuneration Committee

Committee Members



Mr. Zoheir Ishaq Sulaiman
Mohamed Abou-Shousha
Non-Executive Chairman



H.E. Mr. Mohamed Dhaen
Mahasoon Alhamli
Non-Executive Member



Mr. Mohammed Hussam
Saleh Abdulhameed Akasha
Non-Executive Member

Main Responsibilities

- Allocate Senior Executive bonuses and all financial packages considering the targets to be achieved.
- Allocate amounts of variable remuneration and its distribution across the departments.
- Consider the Bank's exposure to liquidity and other risks and the capital required to cover such risks while allocating compensation.
- Analyse and compare the Bank's salary schemes with other financial institutions.

No. of Meetings in 2021

2

Risk Committee

Committee Members



Mr. Karim Magdi Mohamed
Galaleldin Elkhadem
Non-Executive Chairman



Mr. Ihab Abdelaziz Fahmi EL-
Sewerky
Executive Member



Mr. Adnan Omar Mohammad
Al-Ismail
Non-Executive Member



Mr. Mohammed Hussam
Saleh Abdulhameed Akasha
Non-Executive Member

Main Responsibilities

- Review the risk report, which identifies high-level control issues requiring attention, and summarizes the actions taken to resolve the issues.
- Submit propositions on the Bank's risk management policies and strategies to the BoD.
- Follow up on the extent of compliance with the policies and strategies through reports submitted by the risk departments, which fall under the committee's supervision.

No. of Meetings in 2021

5

Corporate Governance, Compliance and Code of Conduct (Continued)

Management Committees

On implementing its functions, the Bank's management may draw on internal multidisciplinary committees, as the Bank, within the Governance Program, has formed several committees, each with its own Terms of Reference. The committees' meetings are valid only if there is a quorum, including the Committee Head or deputy. However, a representative shall be assigned to attend the meeting if any member is absent.

ADCB-Egypt's Key Active Management Committees:

- Executive Committee
- Credit Committee
- Asset and Liability Committee
- Information Technology Committee
- Information Risk Committee
- Operational Risk Committee
- Business Continuity Committee

Board Independence

Board independence is vital as it creates a balance within the Board and ensures conflicts of interest are resolved while ensuring social interests are factored into decision-making, increasing the executive team's efficiency. As per the CBE Corporate Governance regulations and standards, the Chairperson and CEO should be

in different positions so that no individual can hold both positions simultaneously. At the same time, the Bank's Board should have a maximum of two Executive Directors, while the rest are Non-Executive. In addition, two of the Board members should be independent and can hold their positions for a maximum of six years over two terms. ADCB-Egypt also complies with the CBE's regulations that state the Board can only be comprised of a maximum of two executive members.

Conflicts of Interest

To avoid potential conflicts of interest, the Bank's Board of Directors and committees oversee the Bank's Management Team to ensure it does not engage in any activity that could be perceived as a conflict of interest. The Board also reviews the Bank's gift-giving, disclosure, compliance, and personal trading policies to ensure they are being appropriately implemented by regularly checking them. In addition, all employees are required to sign a Conflict-of-Interest Disclosure commitment each year as part of their employment contract, and conflict-of-interest assessments are undertaken with all new employees before onboarding.

Managing Compliance and Conduct

Compliance in ADCB-Egypt is built on a foundation of establishing guidelines for staff and service providers on the appropriate implementation of the laws, regulations, rules, and standards through compliance policies and procedures. In tandem, the Compliance Department has established an evaluation system to determine and measure compliance with the established guidelines. However, if compliance violations occur, the department will report them to the Audit Committee along with recommendations on imposable penalties. It will also adopt measures to address compliance issues and prevent repeat violations.

In addition, the department will monitor and report quarterly the status and results of compliance activities and reviews, as well as the status of the Management Corrective Action Plans to the Audit Committee.

Additionally, the Compliance Department identifies, assesses, monitors, and controls the compliance risks under the Bank's Corporate Governance Policy, regulatory requirements, and internal policies and procedures for both current and future business activities. ADCB-Egypt's Compliance Department is also responsible for

maintaining up-to-date knowledge of compliance requirements by liaising with regulators and the relevant external bodies, advising management on the applicable laws, regulations, rules, and standards, and informing management about any developments in these areas. In turn, the department ensures compliance staff is educated with the same knowledge provided to management regarding compliance matters. In addition, the department acts as a trusted advisor on compliance queries from staff members.

Training to Anchor The Bank's Compliance, Ethics and Conduct, and Service Excellence Culture

ADCB-Egypt has implemented mandatory training covering all banking-related regulations, policies, and procedures for all employees. We also conduct a service excellence program that covers all service standards, commitments, and how to deal with the Bank's external and internal customers. In addition, we ensure that all new hires are well educated on our policies, procedures, and Code of Conduct through our monthly induction programs.



Corporate Governance, Compliance and Code of Conduct (Continued)

Title	Description	Training Hours	Number of Attendees	Online/Physical
Compliance Policies	Training on compliance policies and the relevant controls.	~ 3 hours	~ 1,000	Online
Customer Protection	Training on key matters related to Customer Rights and regulatory requirements.	~ 3 Hours	~ 600	Online
BASEL Training	Training on key matters related to Risk Management.	20 hours	1	Online
AML Training Level 1	Mandatory training on Anti-Money Laundering Controls.	~ 3 hours	~ 1,000	Online
Preventing Financial Crime	-	-	All employees	Online
Advanced Financial Crime Techniques	The training highlights the key matters related to Financial Crime and recent risks.	~ 3 Hours	~ 10	Online
Service Excellence	-	-	All employees	Physical
Sign Language	Effective communication with deaf and hard-of-hearing individuals.	50	13	Physical

Code of Conduct

The Code of Conduct outlines the standards of ethics and professional behaviour expected of all employees and representatives of the Group, including ADCB-Egypt as a subsidiary, when dealing with customers, colleagues, shareholders, communities, and each other. It also provides an overview of key legal and regulatory requirements and policies. The Group's code reinforces our responsibility to live our values, promote a culture of integrity, and promptly escalate real or potential misconduct concerns. Upon joining the Bank, employees must acknowledge that they have read the Code of Conduct. Any violations may result in disciplinary action, including termination of employment.

ADCB Group's Code of Conduct can be viewed [here](#).

Human Rights

ADCB-Egypt is committed to upholding universal human rights, including freedom from discrimination based on race and gender. We respect and support international principles that protect and promote human rights, as enshrined in the United Nations Universal Declaration on Human Rights. Within our operations, we protect employees from harassment and bullying and have zero tolerance for the exploitation of children or human trafficking. In addition to our Code of Conduct, we are currently developing a Group-wide policy outlining our commitment to human rights within our operations and supply chain.

Whistleblowing Policy

ADCB-Egypt has a Whistleblowing Policy that applies to both employees of the Bank and third-party vendors. The Bank actively encourages anyone who has noticed or suspects any malpractice, fraudulent activity, or breach of the Code of Conduct to report the matter immediately. In addition, the Bank has set clear channels for communicating or raising any concerns related to corruption or any cases of misconduct through a dedicated email address and a hotline number.

The contact information is publicly available on ADCB-Egypt's website [here](#).

Future Outlook

ADCB-Egypt plans to integrate sustainability and ESG topics within its Corporate Governance Framework and develop a robust technological infrastructure to enhance business automation while implementing the best governance and control practices in line with the ADCB Group's vision and ESG Strategy. We will also offer the Board specialised training workshops on specific environmental, social, and governance concerns, such as climate change, legal advancements in sustainable finance, and other important ESG topics mandated by the CBE.

Risk Management and Cybersecurity

ADCB-Egypt’s corporate governance system places a high priority on risk management, while the Bank as a whole places a strong emphasis on preserving our client’s privacy and personal data.

“

Comprehensive risk management has always been essential in the ADCB operating model. Regular gap assessment, AI-enabled monitoring and analytics, continuous updates to the Bank’s systems and procedures, along with thousands of other actions, take place to prevent every type of risk proactively, build the Bank’s resilience under different scenarios, and extract valuable lessons and insights from every data input and qualitative insight. Together, this ensures a unique grasp on the full scope of risks faced by the Bank at every level, followed by meticulously informed and carefully weighted decisions, from issuing a particular loan to addressing systemic long-term ESG risks such as climate change.



Hashem Gamal
Chief Risk Officer



Why It Matters

The contemporary world puts risk management, cybersecurity, and data privacy at the centre of every organisation’s concern. ADCB-Egypt recognises comprehensive risk oversight and mitigation, cyberliteracy, and protection of customer data as central concerns. Therefore, the Bank keeps building one of the most technologically advanced and rigorous frameworks to ensure it is well protected from whatever comes next.

Our Approach and Progress

ADCB-Egypt has developed and adopted policies and processes to protect the Bank’s systems, data, and customers against cyberattacks, including customer data privacy and accessibility. In 2021, the Bank successfully coordinated compliance with the SWIFT Customer Security Protection Framework.

ADCB-Egypt has also activated a New Enterprise Vulnerability Assessment Solution to cover all internal and external vulnerabilities to the Bank’s systems, in addition to the deployment of Phase 1 of the Governance Risk and Compliance Tool for automation, tracking, and reporting of information security risks, as well as Firewall Monitoring, an auditing solution, and the Anti-DDOS Solution

for protecting the Bank’s digital services and public presence from malicious Denial of Service attacks. We have also completed a third-party risk assessment with a Risk Mitigation Action Plan for Network Intelligence hosting ADCB-Egypt’s card business and driving the Bank’s ATMs.

Furthermore, ADCB-Egypt acknowledges the significance of spreading cyberliteracy and data protection awareness among its employees and customers. In this regard, the Bank arranged a Customer Security Awareness Campaign providing customer security and data privacy awareness tips, as well as developed and published security awareness material for ADCB-Egypt’s staff to increase phishing campaign aversion. As for new hires, we conduct information security induction and awareness sessions to ensure everyone is aligned and aware of the Bank’s procedures and risk mitigation and management measures. As a result, in 2021, 97% of ADCB-Egypt’s staff successfully passed the SANS online training program on information security.

Future Outlook

ADCB-Egypt is planning and working to integrate ESG and sustainability-related financial issues within the existing risk management systems, as well as maintaining reliable tools and metrics in line with the CBE’s current regulatory requirements to maintain alignment with the Group’s strategy and ambitions.

Financial Crime and Anti-Corruption

ADCB-Egypt has zero tolerance for corruption and bribery and has established rigorous measures for Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT).

Why It Matters

The number and complexity of financial crimes have increased in recent years, undermining international monetary systems, slowing economic growth, and resulting in enormous losses for firms and people worldwide. Additionally, corruption makes it easier for organized crime to flourish. Therefore, robust management and risk mitigation measures are vital to reducing and preventing financial crimes and their consequences.

Our Approach and Progress

ADCB-Egypt complies with international and national regulations related to anti-money laundering and terrorism financing. This includes setting robust policies, applying best practices, utilizing high technology anti-fraud systems, and building capacity across all relevant departments and stakeholders.

The Bank has also developed rigorous control mechanisms, procedures, and algorithms to identify and prevent financial crime. As a

result, ADCB-Egypt has a robust Fraud Policy, Procedures, and Response Plan, in addition to a fraud detection and prevention system. Furthermore, to protect the Bank from potential financial crimes, World-Check records have been adopted to help identify high-risk customers, including Politically Exposed Person (PEP) transactions.

Financial Crime Program

ADCB-Egypt is committed to conducting its activities with integrity and respecting its regulatory, ethical, and social responsibilities. Our procedures, internal systems, controls, and Board approved policies on Anti-Money Laundering and Sanctions aim to ensure that risks identified by the Bank are appropriately mitigated to safeguard ADCB-Egypt, its employees, shareholders, and customers from financial crime risks. In addition, ADCB-Egypt has a dedicated financial crime function within compliance to facilitate risk-based, effective, and efficient financial crime risk management by establishing a Financial Crime Program.

The Financial Crime Program is based upon various laws, regulations, and regulatory guidance from the European Union, the United Kingdom, the United Nations, and the United States, as well as Egyptian financial crime laws and regulations.

Advancing Smarter Fraud Detection Using AI

ADCB-Egypt has partnered with a leading international software provider of high-performance analytics to launch a fraud detection solution powered by artificial intelligence (AI). This has enhanced the Bank's real-time capabilities in this area, allowing it to monitor internet banking, mobile banking, Interactive Voice Response (IVR), and card transactions for potential risk.

Future Outlook

ADCB-Egypt will continue to explore the latest methods and techniques to enhance its financial crime risk management system's effectiveness through improved data analytics for decision intelligence and will continue to build its employees' capacities across all branches.

ESG KPIs

100%

Employees formally trained on the Anti-Corruption/Anti-Bribery Policy

Tax Transparency

ADCB-Egypt acknowledges its commitment to transparent tax disclosures, as well as compliance with tax authorities and their requirements.

Why It Matters

Greater transparency of tax fosters greater trust and makes us a more responsible company. We must always be compliant to reduce both financial and reputational risks as regulators worldwide intensify their scrutiny and tighten corporate standards for tax transparency.

Our Approach and Progress

The Bank is committed to full transparency regarding its taxation and proactively supports efforts to build an effective tax system that works for everyone. ADCB-Egypt's Tax Strategy is approved by the CFO, Managing Director, and CEO. It is aligned with national policies, including the CBE guidelines, as well as Egyptian tax laws for all tax types and the Egyptian Tax Authority's instruction to minimise tax liabilities and risks. The strategy also outlines how the Bank monitors, controls, and provides all relevant taxation returns, forms, and issues according to the mandated frequencies under the tax laws. In addition, ADCB-Egypt has adopted and implemented a Foreign Account Tax Compliance Act Policy.

Future Outlook

ADCB-Egypt acknowledges the significance of maintaining transparency in its tax disclosures and is committed to taking all the necessary measures to adhere to international standards, such as those issued by the OECD, to combat cross-border tax evasion, in line with the local regulatory framework and requirements.



ANNEXES: Data and Assurance



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Abbreviations and Acronyms

AAST	Arab Academy for Science, Technology and Maritime Transport
ADCB	Abu Dhabi Commercial Bank
ADX	Abu Dhabi Securities Exchange
AED	United Arab Emirates Dirham
AI	Artificial Intelligence
AML	Anti-Money Laundering
ATM	Automated Teller Machine
BAC	Board Audit Committee
BN	Billion
BoD	Board of Directors
CBE	Central Bank of Egypt
CCDM	Cash and Cheque Deposit Machines
CCT	Customer Care Team
CD	Certificate of Deposit
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COP	Conference of the Parties
CRM	Customer Relationship Management
CX	Customer Experience
EBRD	European Bank for Reconstruction and Development
EGP	Egyptian Pound
EGX	Egyptian Exchange
EP	Equator Principles

ESG	Environmental, Social, and Governance
ESRM	Environmental and Social Risk Management
EU	European Union
EUR	Euro
FATCA	Foreign Account Tax Compliance Act
FI	Financial Institutions
FX	Foreign Exchange
FY	Financial Year
GBP	Green Bond Principles
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GEFF	Green Economy Financing Facility
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GTB	Global Transaction Banking
HITS	Human Resources Management Systems
HR	Human Resources
IAG	Internal Audit Group
IBAN	International Bank Account Number
ICAAP	Internal Capital Adequacy Assessment Processes
ICMA	International Capital Market Association
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
ISSB	International Sustainability Standards Board

Abbreviations and Acronyms (continued)

IT	Information Technology
ITM	Interactive Teller Machine
IVR	Interactive Voice Response
KPI	Key Performance Indicator
KRI	Key Risk Indicator
KYC	Know Your Customer
LC	Letter of Credit
LCR	Liquidity Coverage Rate
LG or L/G	Letter of Guarantee
LMS	Learning Management System
MBA	Master of Business Administration
MD	Managing Director
MENA	Middle East and North Africa
MN	Million
MSA	October University for Modern Sciences and Arts
MSME	Micro, Small, & Medium-Sized Enterprises
MW	Megawatt
NGFS	Network for Greening the Financial System
NPS	Net Promoter Score
NSFR	Net Stable Financing Rate
NSRP	National Structural Reforms Program
NTB	New-to-Bank
OTP	One Time Passcode
PEP	Politically Exposed Persons
PMR	Protection, Mitigation, and Resilience
PRB	Principles for Responsible Banking
PVC	Polyvinyl Chloride

PwD	People with Disabilities
QAIP	Quality Assurance and Improvement Program
RMD	Risk Management Department
SANS	SysAdmin, Audit, Network, and Security
SAS	Statistical Analysis System
SASB	Sustainability Accounting Standards Board
SBTi	Science-Based Targets Initiative
SDG	Sustainable Development Goal
SEFF	Sustainable Energy Financing Facility
SLA	Service-Level Agreement
SME	Small and Medium-Sized Enterprise
SOP	Standard Operating Procedures
STP	Straight-Through Processing
TAT	Turn Around Time
TCFD	Task Force on Climate-Related Financial Disclosures
TDS	Tax Deducted at Source
TRX	Transaction
UAE	United Arab Emirates
UN	United Nations
UNB	Union National Bank
UNGC	United Nations Global Compact
VPN	Virtual Private Network
YOY	Year-on-Year

ADCB-Egypt ESG Metrics

SCOPE OF REPORTING

The metrics disclosed in this section cover ADCB-Egypt's activities undertaken during the 2021 fiscal year (1 January – 31 December 2021). The data covers all forty-six branches, including the head office building.

The metrics reported under Net zero Operations, cover only the head office building operations during the 2021 fiscal year (1 January – 31 December 2021). ADCB-Egypt is working on developing an ESG data management system, to expand the scope of GHG reporting to cover all branches in upcoming reports.

CLIMATE

Sustainable Finance

Sustainable Finance Projects Categories ⁶	Unit	2021 Value of Credit Facility
Renewable Energy	EGP M	15
Sustainable Water and Wastewater Treatment	EGP M	27.6
Access to Essential Services ⁷	EGP M	410.4
Socio-Economic Advancement and Empowerment	EGP M	2,894.6
Total Sustainable Finance	EGP M	3,347.6

Net zero Operations⁸

Energy Consumption	Unit	2021
Within the Organisation		
Total Energy Consumption	GJ	5,052
Energy Intensity ⁹	GJ/FTE	7.9
Total Electricity Consumption	kWh	1,298,981
Total Fuel Consumption ¹⁰	Litres	11,453
Petrol Consumption by the Bank's Vehicles	Litres	11,453

6 Categorisation of the projects is based on ADCB Group's [Green Bond Framework](#).
 7 National infrastructure and road axes development projects are considered essential pillars for improving the nation's productivity, quality of life, in addition to driving economic growth.
 8 These indicators cover the operations of ADCB-Egypt's Head office building only. For further information, please refer to [ADCB-Egypt's Carbon Footprint Report](#).
 9 The energy intensity figure is calculated based on the total number of employees in the HQ only (639 employees).
 10 Total fuel consumption within the organisation is limited to fuel consumption by owned vehicles.

Energy Consumption	Unit	2021
Outside the Organisation¹¹		
Total Energy Consumption	GJ	12,739
Total Fuel Consumption for Employee Business Travel by Road	Litres	8,525
Total Fuel Consumption for Employee Commuting	Litres	380,079

Greenhouse Gas (GHG) Emissions ¹²	Unit	2021
GHG Emissions Intensity ^{13,14}	tCO ₂ e/FTE	1.44
Total Fuel Consumption for Employee Business Travel by Road	Litres	8,525
Total GHG Emissions	tCO ₂ e	1,714
Scope 1	tCO ₂ e	365
Scope 2	tCO ₂ e	554
Scope 3	tCO ₂ e	795
<i>Purchased Goods and Services¹⁵</i>	<i>tCO₂e</i>	<i>9</i>
<i>Fuel and Energy-Related Activities (not included in scope 1 and 2)</i>	<i>tCO₂e</i>	<i>54</i>
<i>Employee Business Travel (Road)</i>	<i>tCO₂e</i>	<i>47</i>
<i>Employee Business Travel (Air)</i>	<i>tCO₂e</i>	<i>5</i>
<i>Hotel Stays</i>	<i>tCO₂e</i>	<i>24</i>
<i>Employee Commuting</i>	<i>tCO₂e</i>	<i>655</i>

Water Consumption	Unit	2021
Water consumption within the organisation ¹⁶	Mega Litres	13.4
Water Intensity ¹⁷	m ³ /FTE	20.9

Green Procurement and Supply Chain

Local Procurement	Unit	2021
Percentage of the Procurement Budget spent on Local Suppliers (%)	%	99

11 Total energy consumption outside the organisation is limited to fuel consumption from employee business travel by road, and from employee commuting. Distance data have been converted to fuel data using an average value 9 litres/100 km for petrol vehicles.
 12 For further details on the reporting scope and methodologies, please refer to [ADCB-Egypt's Carbon Footprint Report](#).
 13 Covers Scope 1 and Scope 2 emission sources only, reported in tonnes of carbon dioxide equivalent per full time employee.
 14 The GHG emissions intensity figure is calculated based on the total number of employees in the HQ only (639 employees).
 15 Purchased goods and services category is limited to emissions associated with paper consumption.
 16 Monitored based on invoices from supplier. This reported figure covers the consumption in ADCB-Egypt's head office building only.
 17 The water intensity figure is calculated based on the total number of employees in the HQ only (639 employees).

ADCB-Egypt ESG Metrics (continued)

EMPLOYEES

Employee Engagement and Wellbeing		
Employee Profile	Unit	2021
Total Workforce	#	1,093
Full-Time Employees	#	1,093
Part-Time Employees	#	0
Workers who are not employees and whose work is controlled by the Bank ¹⁸	#	202
Breakdown by Gender		
Male	#	761
Female	#	332
Percentage of Female Employees	%	30
New Employee Hires		
Breakdown by Gender		
Total New Hires	#	191
Male	#	130
Female	#	61
Breakdown by Age Group		
Under 25 years	#	45
25-34 years	#	98
35-45 years	#	43
Above 45 years	#	5
Nationals		
Total	#	191
Male	#	130
Female	#	61
Employee Turnover (all figures as turnover rate)		
Overall	%	15
Breakdown by Gender		
Male	%	16
Female	%	15

Employee Turnover (all figures as turnover rate)	Unit	2021
Full-Time Employees		
Male	%	16
Female	%	15
Breakdown by Employee Category		
Entry-Level		
Male	%	17
Female	%	15
Mid-Level		
Male	%	13
Female	%	14
Senior and Executive Level		
Male	%	8
Female	%	0
Parental Leave		
Total Employees that took Parental Leave		
Female	#	22
Male	#	0
Total Employees that Returned to Work in the reporting period after Parental Leave Ended		
Female	#	16
Male	#	0
Returned to Work (female employees)	%	72.7
Total Employees that Returned to Work After Parental Leave Ended that were still Employed 12 months After their Return to Work		
Female	#	18
Male	#	0
Retention Rate (female employees)	%	81.8

¹⁸ These workers include outsourced staff with yearly contracts deployed on the following: Direct Sales of Loans and Credit Cards, Collections, Sales Support (Coordination and MIS), and Operational Activities (e.g., credit administration, MIS, marketing, document verification, property officer, maintenance officer).

ADCB-Egypt ESG Metrics (continued)

EMPLOYEES

Employment of Nationals

Number of Nationals within the Overall Workforce	Unit	2021
Total	#	1,093
Male	#	761
Female	#	332
Percentage of National (Egyptian) Employees within the Overall Workforce	%	100

Learning and Development

Training Hours	Unit	2021	
		Total Training Hours	Average Hours per Employee

Breakdown by Gender

Male	No. of hours	34,341	45
Female	No. of hours	25,576	77
Total	No. of hours	59,917	55

Breakdown by Employee Category

Entry-Level	No. of hours	51,181	61
Mid-Level	No. of hours	7,853	33
Senior and Executive Level	No. of hours	883	55

Local/National Employees

Male	No. of hours	34,341	45
Female	No. of hours	25,576	77
Total	No. of hours	59,917	55

Performance and Career Development Reviews

Total Employees who Received a Regular Performance and Career Development Reviews during the Reporting Period	Unit	2021
Male	%	95.4
Female	%	91.9
Total	%	94.3

Training Expenditure

Training Expenditure	Unit	2021
Total Training Expenditure	EGP	6,007,615
Training Spend per FTE	EGP/FTE	5,496

Equality, Diversity, and Inclusion

Employee Diversity

Percentage of Employees by Gender broken down by Age Group	Unit	2021
Male		
Under 25 years	%	2.5
25-34 years	%	38.2
34-45 years	%	35.5
Above 45 years	%	23.8

Female		
Under 25 years	%	6.9
25-34 years	%	57.2
34-45 years	%	23.8
Above 45 years	%	12.1

Percentage of Employees by Gender across Employee Categories

Male		
Entry-Level	%	66.5
Mid-Level	%	24.2
Senior and Executive Level	%	1.7
Other ¹⁹	%	7.7

Female		
Entry-Level	%	83.4
Mid-Level	%	15.7
Senior and Executive Level	%	0.9
Other	%	0

Employee Nationalities

Total Number of Employee Nationalities broken down by Gender	Unit	2021
Male	#	1
Female	#	1

People with Disabilities

Total Number of People with Disabilities Employed broken down by Gender	Unit	2021
Male	#	4
Female	#	2
Total	#	6

¹⁹ ADCB - Egypt reports subordinate staff on the Bank's payroll under this category.

ADCB-Egypt ESG Metrics (continued)

CUSTOMERS AND COMMUNITIES

Customer Satisfaction

Customer Complaints	Unit	2021
Number of Customer Complaints Recorded	#	1,475
Percentage of Complaints Resolved within the Committed Period ¹⁸	%	83

Financial Inclusion

Loans to Promote Small Business and Community Development	Unit	2021
Number of Loans – Small Business	#	1,236
Value of Loans – Small Business	EGP M	1,709.3

Digital and Innovation

Digital Channels for Customer Engagement	Unit	2021
Total Number of SMS Banking Subscribers	#	103,116
Total Number of Internet Banking Subscribers	#	20,020
Total Number of Mobile Banking App Subscribers	#	20,020
Percentage of Digital Transactions		
Retail Customers	%	60
Corporate Customers	%	5

Community Investment

Direct Community Investments	Unit	2021
Direct Donations and Sponsorships	EGP M	5
Community Investment as a Percentage of Pre-Tax Profits	%	1.5

* One female member has been appointed in 2022.
¹⁸ Committed period as specified by the Central Bank of Egypt for handling complaints.

GOVERNANCE

Corporate Governance, Compliance, and Code of Conduct

Board Profile	Unit	2021
Composition of the Board of Directors		
Total Number of Board of Directors	#	8
Total Number of Independent Board Members	#	5
Total Number of Executive Members of the Board	#	2
Percentage of Independent Board Members	%	62.5

Board Composition by Gender		
Male	%	87.5
Female	%	12.5*

Board Composition by Age Group broken down by Gender			
Less than 25 years	Male	%	0
	Female	%	0
25-34 years	Male	%	0
	Female	%	0
35-45 years	Male	%	12.5
	Female	%	0
Above 45 years	Male	%	86
	Female	%	14 ²⁰

Monetary Losses as a result of Non-Ethical Business Practices	Unit	2021
The total monetary losses resulting from legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations (EGP equivalent).	EGP	NIL

Risk Management and Cybersecurity

Data Privacy and Information Security	Unit	2021
Percentage of employees formally trained on information security, data privacy, and protection.	%	100

²⁰ One female member has been appointed in 2022.

ADCB-Egypt ESG Metrics (continued)

GOVERNANCE

Financial Crime and Anti-Corruption

Legal Cases regarding Corruption	Unit	2021
The number of public legal cases regarding corruption brought against the organisation or its employees during the reporting period.	#	0
Employee Acknowledgment of the Code of Conduct	Unit	2021
Percentage of the workforce who have formally acknowledged compliance with the Employee Code of Conduct.		
Overall	%	100
Employee Training on Anti-Corruption	Unit	2021
Percentage of the Workforce formally trained on the Anti-Corruption/Bribery Policy by Gender and Employee Categories with the Employee Code of Conduct.		
Overall	%	100
Breakdown by Gender		
Male	%	90
Female	%	92
Breakdown by Employee Categories		
Entry-Level		
Male	%	87
Female	%	92
Mid-Level		
Male	%	99
Female	%	88
Senior and Executive Level		
Male	%	77
Female	%	100
Board Compliance on Anti-Corruption	Unit	2021
Percentage of Board members who have formally acknowledged their compliance with the Code of Conduct.	%	100

Financial Crime and Anti-Corruption

Anti-Corruption Policies and Procedures in the Supply Chain	Unit	2021
Percentage of business partners to whom the organisation's anti-corruption policies and procedures have been communicated to.	%	100*
Percentage of suppliers that have formally acknowledged their compliance with the Anti-Corruption and Bribery Policy.	%	100*
The total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.	#	0

Tax Transparency

Tax Disclosures	Unit	2021
Corporate Income Tax paid on a Cash Basis split by Jurisdiction ²¹	EGP M	254

* Anti-corruption controls and contract clauses are a mandatory part of any contractual process and are published on the Bank's website.
²¹ For more information, please refer to the [Consolidated Financial Statements](#) (Cash Flow Statement).

List of Material Topics

ADCB–Egypt Material Topics/Workstreams	ADCB–Egypt Prioritised Topics
Environmental topics	Environmental topics
	Green Recovery and Transformation
Sustainable Finance	Responsible, Purposeful, and Sustainable Lending
	Sustainable and Renewable Energy
Environmental and Social Risk Management	Climate Change Risks
	Biodiversity
	Circular Economy
Net Zero Operations	Water Stewardship
	Green Buildings and Infrastructure
Green Procurement and Supply Chain	Supply Chain Management
Social topics	Social topics
Customer Satisfaction	Customer Experience
	Responsible Marketing
Financial Inclusion	Financial Inclusion and PwD Empowerment
Digital and Innovation	Digitalisation and Accessibility
Community Investments	Social and Community Impact

ADCB–Egypt Material Topics/Workstreams	ADCB–Egypt Prioritised Topics
Social topics	Social topics
	Well-Being, Health, and Safety
Employee Engagement and Well-Being	Corporate Culture
Learning and Development	Attracting, Retaining, and Growing Talent
Equality, Diversity, and Inclusion	Diversity and Inclusion
	Equality and Fairness
Governance topics	Governance topics
	Corporate Governance
	Business Performance and Leadership
Corporate Governance, Compliance, and Code of Conduct	Ethics and Integrity
	Transparency and Accountability
	Partnerships and Networks
Risk Management and Cybersecurity	Risk Management
	Data Management and Cybersecurity
Financial Crime and Anti-Corruption	
Tax Transparency	

GRI Content Index

GRI Standard	Indicator and disclosure	Disclosure/ reference to report page numbers
GRI 101: Foundation 2016	Note: GRI 101 does not include any disclosures	
General disclosures		
GRI 102: General disclosures 2016		
Organisational profile	102-1 Name of the organisation	Abu Dhabi Commercial Bank - Egypt
	102-2 Activities, brands, products and services	8
	102-3 Location of headquarters	Cairo, Egypt
	102-4 Location of operations	3
	102-5 Ownership and legal form	3
	102-6 Markets served	3
	102-7 Scale of the organisation	3, 5, 6, 8
	102-8 Information on employees	54
	102-9 Supply chain	(See Ref. 1)
	102-10 Significant changes to the organisation and its supply chain	(See Ref. 2)
	102-11 Precautionary principle or approach	19
	102-12 External initiatives	(See Ref. 3)
	102-13 Membership of associations	(See Ref. 4)
Strategy	102-14 Statement from senior decision-maker	7
Ethics and integrity	102-16 Values, principles, standards and	8
Governance	102-18 Governance structure	12

GRI Standard	Indicator and disclosure	Disclosure/ reference to report page numbers
General disclosures		
Stakeholder engagement	102-40 List of stakeholder groups	13
	102-41 Collective bargaining agreements	(See Ref. 5)
	102-42 Identifying and selecting stakeholders	13
	102-43 Approach to stakeholder engagement	13
Reporting practice	102-44 Key topics and concerns raised	13
	102-45 Entities included in the consolidated financial statements	Consolidated Financial Statements
	102-46 Defining report content and topic boundaries	14
	102-47 List of material topics	15, 58
	102-48 Restatements of information	Not applicable, as this is ADCB-Egypt's first report.
	102-49 Changes in reporting	
	102-50 Reporting period	2
	102-51 Date of most recent report	Not applicable, as this is ADCB-Egypt's first report.
	102-52 Reporting cycle	2
	102-53 Contact point for questions regarding the report	2
	102-54 Claims of reporting in accordance with the GRI Standards	2
	102-55 GRI content index	59
102-56 External assurance	66	

ADCB-Egypt ESG Metrics (continued)

GRI Standard	Indicator and disclosure	Disclosure/ reference to report page numbers
Material topics		
Environmental topics		
Sustainable finance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	18
	103-2 The management approach and its components	18
	103-3 Evaluation of the management approach	18
Non GRI Topic-Specific Disclosure	Sustainable finance portfolio	18, 53
Environmental and Social Risk Management		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	19
	103-2 The management approach and its components	19
	103-3 Evaluation of the management approach	19
Non GRI Topic-Specific Disclosure	Commercial and industrial credit exposure, by industry	19
Net zero operations		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	20
	103-2 The management approach and its components	20, 21
	103-3 Evaluation of the management approach	20, 21
GRI 302: Energy 2016	302-3 Energy intensity	20, 53
GRI 303: Water and Effluents 2018 (Management approach disclosures)	303-1 Interactions with water as a shared resource	21
	303-2 Management of water discharge-related impacts	21

GRI Standard	Indicator and disclosure	Disclosure/ reference to report page numbers
Material topics		
Environmental topics		
Net zero operations		
GRI 303: Water and Effluents 2018 (Topic specific disclosure)	303-5 Water consumption	21, 53
	305-1 Direct (Scope 1) GHG emissions	21, 53
	305-2 Energy indirect (Scope 2) GHG emissions	21, 53
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	21, 53
	305-4 GHG emissions intensity	21, 53
	GRI 306: Waste 2020 (Management approach disclosures)	306-1 Waste generation and significant waste-related impacts
	306-2 Management of significant waste-related impacts	21
GRI 306: Waste 2020 (Topic specific disclosure)	306-3 Waste generated	(See Ref. 6)
Green procurement and supply chain		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	22
	103-2 The management approach and its components	22
	103-3 Evaluation of the management approach	22
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	22, 53

ADCB-Egypt ESG Metrics (continued)

GRI Standard	Indicator and disclosure	Disclosure/ reference to report page numbers
Material topics		
Social topics		
Customer satisfaction		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	24
	103-2 The management approach and its components	24
	103-3 Evaluation of the management approach	24
Non GRI Topic-Specific Disclosures	Total number of customer complaints recorded	26, 56
Financial Inclusion		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	27
	103-2 The management approach and its components	27
	103-3 Evaluation of the management approach	27
Non GRI Topic-Specific Disclosures	Percentage of total lending to small business	56
Digital and innovation		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	31
	103-2 The management approach and its components	31
	103-3 Evaluation of the management approach	31
Non GRI Topic-Specific Disclosures	Total number of SMS banking subscribers	56
	Total number of internet banking subscribers	56
	Total number of mobile banking app subscribers	56
	Percentage digital transactions by customers	56

GRI Standard	Indicator and disclosure	Disclosure/ reference to report page numbers
Material topics		
Social topics		
Community investments		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	32
	103-2 The management approach and its components	32
	103-3 Evaluation of the management approach	32
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure and services supported	32, 56
Employee engagement and well-being		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	34
	103-2 The management approach and its components	34
	103-3 Evaluation of the management approach	34
GRI 401: Employment 2016	401-3 Parental leave	54
GRI 403: Occupational health and safety 2018 (Management approach disclosures)	403-1 Occupational health and safety management system	36
	403-2 Hazard identification, risk assessment, and incident investigation	36
	403-3 Occupational health services	36
	403-5 Worker training on occupational health and safety	36
	403-6 Promotion of worker health	36
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	36
	403-9 Work-related injuries	36
GRI 403: Occupational health and safety 2018 (Topic-specific disclosure)		

ADCB-Egypt ESG Metrics (continued)

GRI Standard	Indicator and disclosure	Disclosure/ reference to report page numbers
Material topics		
Social topics		
Learning and development		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	37
	103-2 The management approach and its components	37
	103-3 Evaluation of the management approach	37
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	37, 55
	404-3 Percentage of employees receiving regular performance and career development reviews	55
Equality, Diversity and Inclusion		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	38
	103-2 The management approach and its components	38
	103-3 Evaluation of the management approach	38
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of Governance bodies and employees	38, 55
Governance topics		
Corporate governance, compliance, and Code of Conduct		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	40
	103-2 The management approach and its components	40-46
	103-3 Evaluation of the management approach	40-46
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour anti-trust, and monopoly practices	56

GRI Standard	Indicator and disclosure	Disclosure/ reference to report page numbers
Material topics		
Governance topics		
Corporate governance, compliance, and Code of Conduct		
Non GRI Topic-Specific Disclosures	Total number of Board of Directors	56
	Total number of independent Board members	56
	Total number of executive members of the Board	56
	Composition of the Board of Directors broken down by gender and age	56
Risk management and cybersecurity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	47
	103-2 The management approach and its components	47
	103-3 Evaluation of the management approach	47
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	(See Ref. 7)
Non GRI Topic-Specific Disclosures	% of employees formally trained on Data Protection & Privacy	47, 56
Financial crime and anti-corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	48
	103-2 The management approach and its components	48
	103-3 Evaluation of the management approach	48
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	48, 57

ADCB-Egypt ESG Metrics (continued)

GRI Standard	Indicator and disclosure	Disclosure/ reference to report page numbers
Material topics		
Governance topics		
Tax transparency		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	49
	103-2 The management approach and its components	49
	103-3 Evaluation of the management approach	49
GRI 207: Tax 2019 (Management approach disclosures)	207-1 Approach to tax	49
	207-2 Tax governance, control, and risk management	49
	207-3 Stakeholder engagement and management of concerns related to tax	49
GRI 207: Tax 2019 (Topic specific disclosure)	207-4 Country-by-country reporting	57

Reference Number	Description
1	Our suppliers consist of third-party service providers, contractors, logistics providers, and others. Many of our suppliers are local to our areas of operations and include small and medium enterprises.
2	No significant changes during the reporting period.
3	ADCB-Egypt will continue to seek opportunities for commitments/partnerships on external initiatives aligned to our strategic purpose and to the Group's vision.
4	We do not currently have memberships in ESG-focussed associations but would continue to explore opportunities for memberships to ESG-focussed associations aligned to our strategy.
5	We do not hold collective bargaining agreements at ADCB-Egypt
6	Waste quantities data is not available for the reporting period. ADCB-Egypt is working on developing an ESG data management system and will report such quantities in upcoming reports.
7	Not reported due to confidentiality constraints.

SASB Content Index

SASB CONTENT INDEX – 2021

SASB topic	SASB sub-topic	Accounting metric	Code	ADCB-Egypt material topic	Reference to report page number
Commercial Banks	Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	FN-CB-240a.1	Community Investment	65
		(1) Number and (2) amount of past due and non-accrual loans qualified to programs designed to promote small business and community development	FN-CB-240a.2		65
	Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour market manipulation, malpractice, or other related financial industry laws or regulations	FN-CB-510a.1	Corporate Governance, Compliance and Code of Conduct	56
	Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	FN-CB-410a.1	Environmental And Social Risk Management	19
		Description of approach to incorporation of ESG factors in credit analysis	FN-CB-410a.2		19
	Financial Inclusion & Capacity Building	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers		Financial Inclusion	Not available
	Data Security	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	Risk Management & Cybersecurity	47
		% of employees formally trained on Data Protection & Privacy	NA		56

SASB (continued)

SASB DATA TABLES

SASB topic	Accounting metric	Category	Unit of measure	Reporting boundary ¹	2021	Material topic
Commercial Banks	Number of loans outstanding qualified to programs designed to promote small business and community development	Quantitative	#	ADCB-Egypt	1,236	Community investment
	Amount of loans outstanding qualified to programs designed to promote small business and community development	Quantitative	EGP M	ADCB-Egypt	1,709.3	
	Number of past due and non-accrual loans qualified to programs designed to promote small business and community development	Quantitative	#	ADCB-Egypt	Not available	
	Amount of past due and non-accrual loans qualified to programs designed to promote small business and community development	Quantitative	EGP M	ADCB-Egypt	Not available	
Commercial Banks	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	EGP M	ADCB-Egypt	0	Corporate governance, compliance
Commercial Banks	Commercial and industrial credit exposure, by industry	Quantitative	EGP M	ADCB-Egypt	Not available	Environmental and social risk management
Commercial Banks	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Quantitative	#	ADCB-Egypt	Not available	Financial inclusion
Commercial Banks	% of employees formally trained on Data Protection & Privacy	Quantitative	%	ADCB-Egypt	100	Risk management and cybersecurity
SASB topic	Activity metrics	Category	Unit of measure	Reporting boundary ¹	2021	Material topic
Commercial Banks	Number of checking & savings accounts – Small Business	Quantitative	#	ADCB-Egypt	Not available	Financial inclusion
	Value of checking & savings accounts – Small Business	Quantitative	EGP M	ADCB-Egypt	Not available	
	Number of loans – Small Business	Quantitative	#	ADCB-Egypt	1,236	
	Value of loans – Small Business	Quantitative	EGP M	ADCB-Egypt	1,709.3	
Consumer Finance	Number of unique customers with active credit card accounts	Quantitative	#	ADCB-Egypt	Not available	Financial inclusion
	Number of credit card accounts	Quantitative	#	ADCB-Egypt	Not available	
Mortgage Finance	Number of residential mortgages originated	Quantitative	#	ADCB-Egypt	Not applicable	Financial inclusion
	Number of commercial ² mortgage originated	Quantitative	#	ADCB-Egypt		
	Value of residential mortgages originated	Quantitative	EGP	ADCB-Egypt		
	Value of commercial mortgages originated	Quantitative	EGP	ADCB-Egypt		
	Number of residential mortgages purchased	Quantitative	#	ADCB-Egypt		
	Value of residential mortgages purchased	Quantitative	EGP	ADCB-Egypt		
	Number of commercial mortgages purchased	Quantitative	#	ADCB-Egypt		
	Value of commercial mortgages purchased	Quantitative	EGP	ADCB-Egypt		

Quality Assurance Report

Introduction and Objectives of the Engagement

Masader Environmental & Energy Services S.A.E (the 'Assurance Provider') has been engaged by the ADCB-Egypt (the 'Reporting Organisation') to provide Moderate Assurance Type 1 (the 'Assurance') regarding adherence to the AA1000AS v3 (2020) over the ADCB-Egypt ESG Report 2021 (the 'Report').

Scope, Subject Matter and Limitations

The subject matter of the Report is the Reporting Organisation ESG performance data and information for the year ended 31 December 2021. The scope of assurance is limited to a review of the Selected Information listed below:

- ADCB-Egypt's ESG Management
- Stakeholder Engagement
- Materiality Assessment

The assurance process was subject to the following limitations and exclusions

- Verifying the data or information provided by ADCB-Egypt stated in the About ADCB-Egypt section, and ADCB-Egypt's CEO Letter.
- Appropriateness of definitions and any internal reporting criteria adopted by ADCB-Egypt for its disclosures.
- Appropriateness of any new commitments and objectives established and communicated by ADCB-Egypt.
- Content of external websites or documents linked from the Report and ADCB Group.

We have not been engaged to:

- Verify any statement indicating intention, opinion, belief and/or aspiration of ADCB-Egypt.
- Determining which, if any, recommendations should be implemented.

Intended Users

The intended users of this assurance engagement are the Reporting Organisation and its stakeholders, including but not limited to customers, employees, investors, government, and regulators.

Reporting Criteria

The selected information has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) Standards, in addition to the AA 1000 AccountAbility Principles (2018).

Responsibilities of the Reporting Organisation

The provision of the Selected Information in the Report is the sole responsibility of the Management of ADCB-Egypt. The Reporting Organisation is responsible for the preparation of the Report in line with the reporting criteria and in accordance with the GRI: Core Option and for the calculation of the selected KPIs in accordance with the ADCB Group "Basis of Reporting for GHG metrics".

Responsibilities of the Assurance Provider

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. Our responsibilities were to:

- Provide Moderate Level (Type 1) assurance as per AA1000AS v3 over the accuracy, reliability and objectivity of the information contained within the Report;
- Form an independent conclusion based on the procedures performed and evidence obtained.

Methodology

To form our conclusion, we undertook the following procedures:

- Interviewed management and other persons responsible for the Reporting Organisation's ESG performance to assess the application of the GRI: Core Option in the preparation of the Report;
- Analysed and assessed the key structures, processes, procedures and controls relating to the preparation of the Report;
- Evaluated whether the management approach for the material topics presented in the Report is consistent with the overall sustainability management and performance at ADCB-Egypt;
- Assessed the completeness and accuracy of the GRI Standards content index concerning the GRI: Core Option, including omissions;

- Interviewed management and data owners regarding the process of identification, data collection, consolidation and reporting for the selected KPIs;
- Reviewed and evaluated the ADCB-Egypt GHG Metrics for the selected KPIs (on page 53) against the actual calculation performed by ADCB-Egypt to support the figure disclosed in the Report.
- Reviewed the selected KPIs to ADCB-Egypt's internal calculations and supporting documentation (KPI's reviewed include those featured in the "ADCB-Egypt ESG Metrics" section on page 53) ;
- Compared the content of the Report against the findings of the outlined procedures.

Statement of Independence and Impartiality

The Assurance Provider and the Reporting Organisation are not engaged in relationships that would be perceived to affect its ability to provide an independent and impartial statement.

Statement of Competence

Masader Environmental & Energy Services S.A.E is an AA1000AS v3- Licensed Assurance Provider as per the license agreement (ID: 000-882) with Accountability AA1000 CIC. The assurance team has extensive experience in the assurance of ESG data, systems, and procedures.

Recommendations

Based on the conducted assurance engagement, it is recommended that the Reporting Organisation can implement the following measures to enhance future reporting:

- Ensure clear alignment between reported metrics and the long-term ESG goals and targets, including progress made during the reporting period;
- Ensure consistent and complete disclosure of stakeholder engagements conducted for the purpose of the report preparation in case such actions have been undertaken.

Quality Assurance Report (continued)

Conclusion

Our conclusion has been formed based on and is subject to the matters outlined in this Report. We believe that our evidence is sufficient and appropriate to provide a basis for our conclusions. The conclusion on the application of the AA1000 Assurance Principles (2018) is presented below.

Inclusivity	The Reporting Organisation has provided evidence of the inclusivity regarding its stakeholder relations, including understanding and representation of stakeholder interests in the Report.
Materiality	The Reporting Organisation has described its material topics and the materiality assessment process. Based on the conducted engagement, we believe that the material topics accurately reflect the Reporting Organisation’s ESG impacts and disclosures. The disclosures presented in the Report have been organised to present performance on each material topic. The Report would benefit from a more straightforward representation of the connection between the Reporting Organisation’s targets and reported disclosures.
Responsiveness	The obtained evidence has been sufficient to conclude that the Reporting Organisation is responsive to the issues raised by its stakeholder groups by collecting regular feedback via tailored communication channels and appropriate procedures to handle grievances, feedback, and other types of stakeholder inputs.
Impact	The Reporting Organisation has provided evidence of the applied procedures and systems to monitor and measure its impacts on the environment and actions to ensure accountability for those impacts.

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the Selected Information of the Report of ADCB-Egypt for the year ended 31 December 2021, has not been prepared, in all material respects, in accordance with the GRI: Core Option, SASB Standards and the AA1000 Assurance Principles (2018).

In accordance with the terms of our engagement, this independent assurance statement on the Selected Information has been prepared for ADCB-Egypt concerning reporting to ADCB Group and the Reporting stakeholders and for no other purpose or in any other context.

For and on behalf of Masader Environmental and Energy Services S.A.E

Dr.Abdelhamid Beshara,
Founder and Chief Executive Officer



Masader, Environmental & Energy Services (S.A.E)
 Cairo, October 25th, 2022

Abdelhamid Beshara



ABOUT MASADER

Masader is an innovative interdisciplinary consulting, design and engineering sustainability firm based in Cairo, aiming at leveraging positive impact across the MENA region and globally. It specialises in Resource Efficiency, Sustainable Management of Natural Resources and Integrated Sustainability Solutions. Since 2015, Masader has led 100+ projects across the areas of energy, environment, climate change & carbon footprint, circular economy, green building (LEED/EDGE), as well as corporate sustainability strategies, reporting and certification.

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