

ABU DHABI COMMERCIAL BANK - EGYPT

2022 ADCB Egypt ESG Report



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About this report

Abu Dhabi Commercial Bank – Egypt (S.A.E) is proud to present its Environmental, Social, and Governance (ESG) report for the year 2022. This report demonstrates our continued commitment to ethical business practices and our alignment with the sustainability strategy and policy of Abu Dhabi Commercial Bank PJSC, positioning us at the forefront of a green inclusive green economy supported by strategic enablers.

This extensive report covers our ESG policies, results, actions, and aims to increase our transparency to all stakeholders. This report supplements our 2022 Annual and 2022 Corporate Governance reports as we prioritise ESG. Continuing our commitment, we will ensure all our stakeholders stay informed about our achievements and ongoing progress.



Further information can be found in our [2022 Financial Statement](#)

Reporting period and scope

This report presents the Bank's ESG performance covering the reporting period from January 1st to December 31st, 2022 unless stated otherwise. References to the parent company, Abu Dhabi Commercial Bank PJSC, are specifically mentioned in the report.

Reporting standards

This ESG Report has been prepared in accordance with international and national reporting standards and guidelines; Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board (SASB) 'Industry Standards,' and Taskforce on Climate-related Financial Disclosures (TCFD) recommendations.

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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ADCB Egypt at a glance

Creating value

Our strengths



Leadership

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

Talent

Over 1,000 dedicated and talented employees.

Brand

Emerged strong in the Egyptian market with 15 awards in 2022.

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.

About ADCB



Our vision

To be Egypt's most preferred Bank; delivering safe revolutionary banking solutions to our customers while leading the digitalization breakthrough with a strong focus on sustainability, customer satisfaction & integrity.

Our mission

To grow and build an everlasting partnership with our local and foreign customers and become the most preferred trusted and customer-centric partner.

Our values

- Integrity
- Respect
- Care
- Discipline
- Ambition

Business segments

Retail Banking
Wholesale Banking
Treasury and Investments

Partners

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

Delivering stakeholder value



Employees

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

Customers

Protecting and growing the wealth of 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

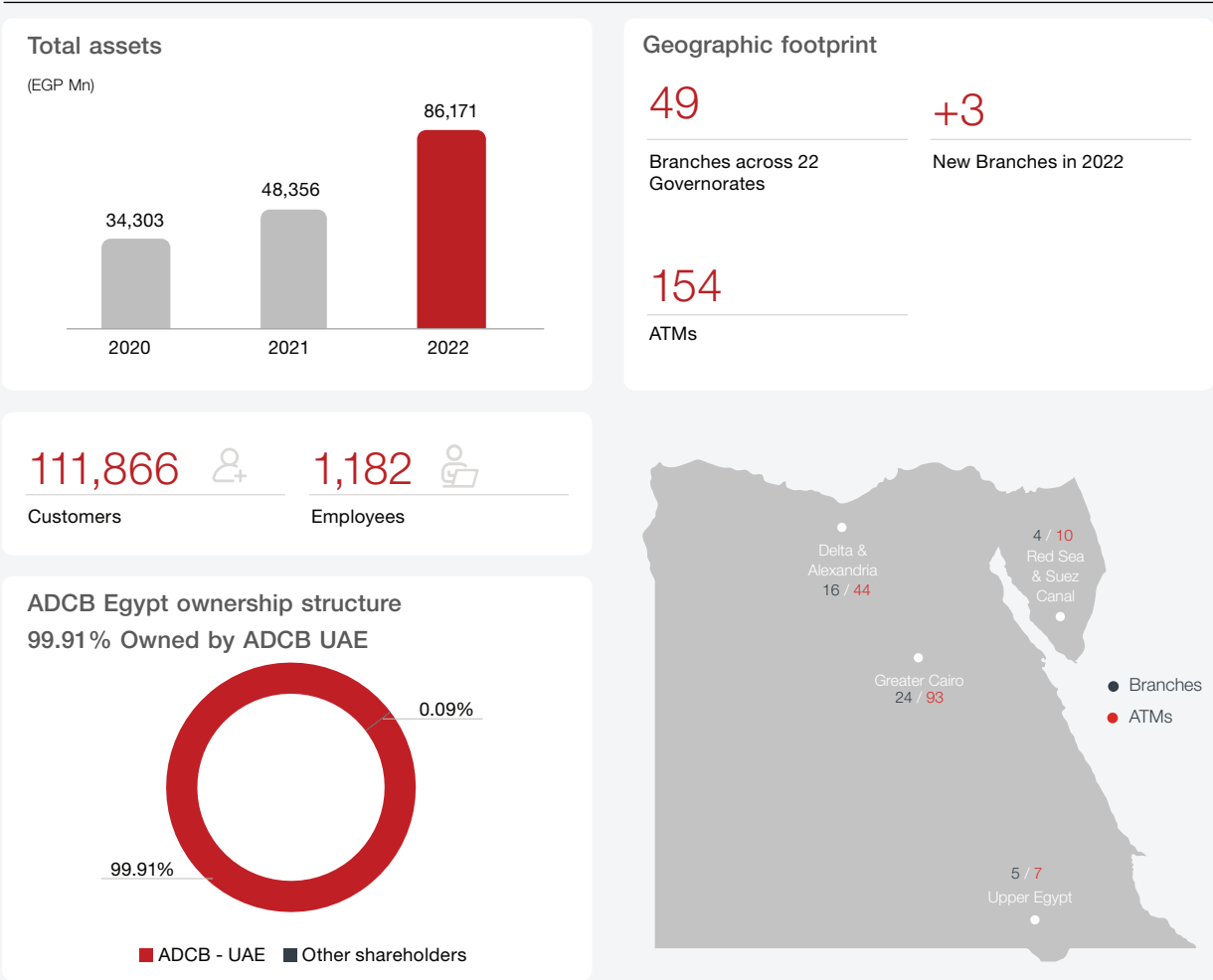
Engaging with relevant authorities to support a responsible regulatory framework.



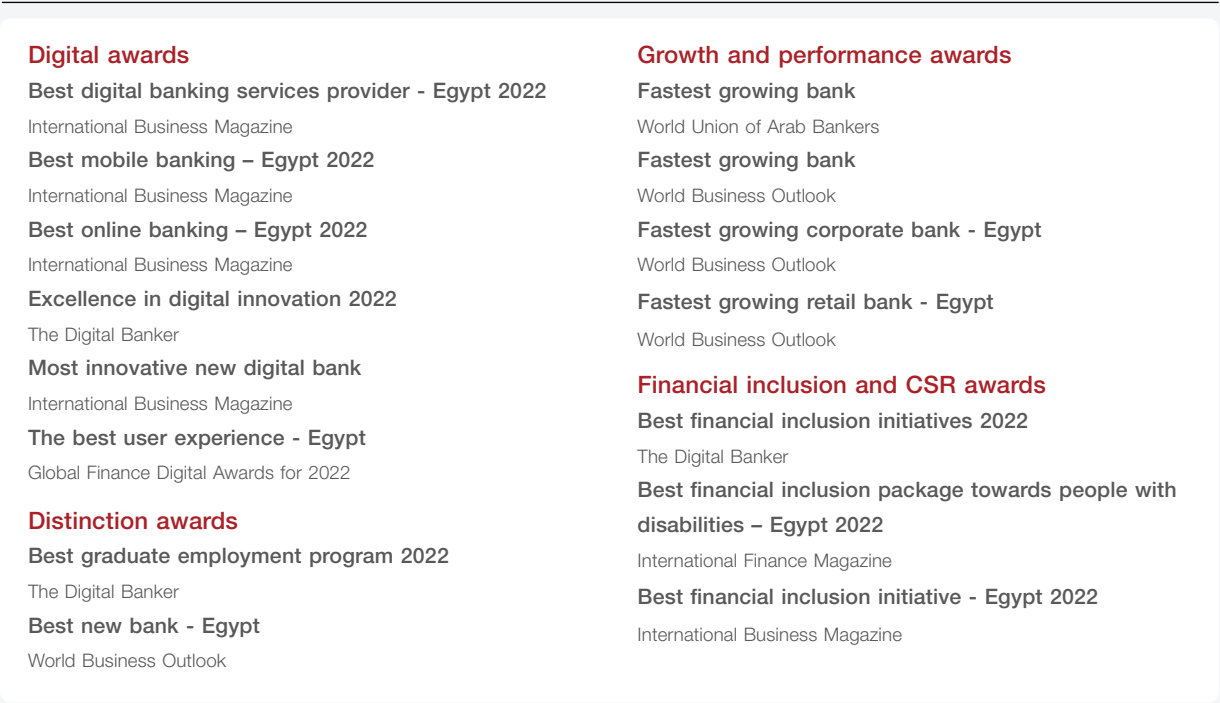
ADCB Egypt at a glance

Institutional strength

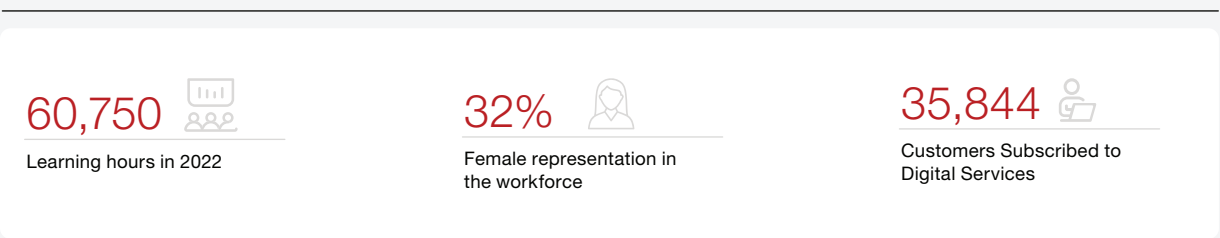
Scale and stability



Awards and recognition



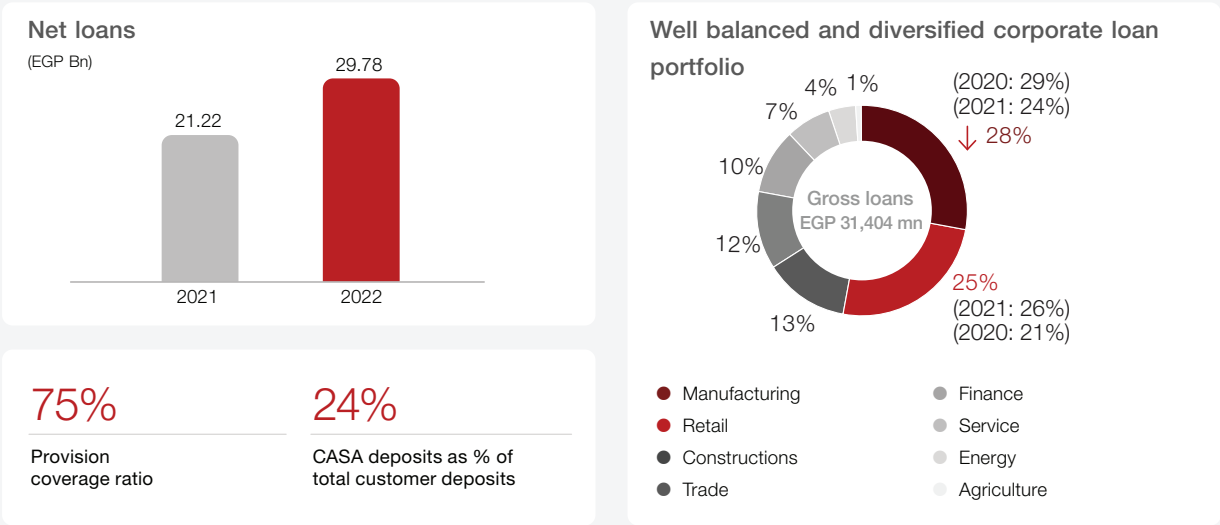
Organisational strength



ADCB Egypt at a glance

Financial strength

Robust balance sheet



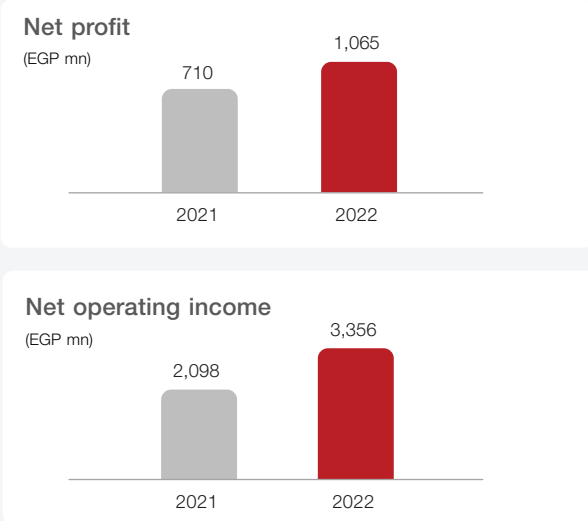
Healthy capital and liquidity position



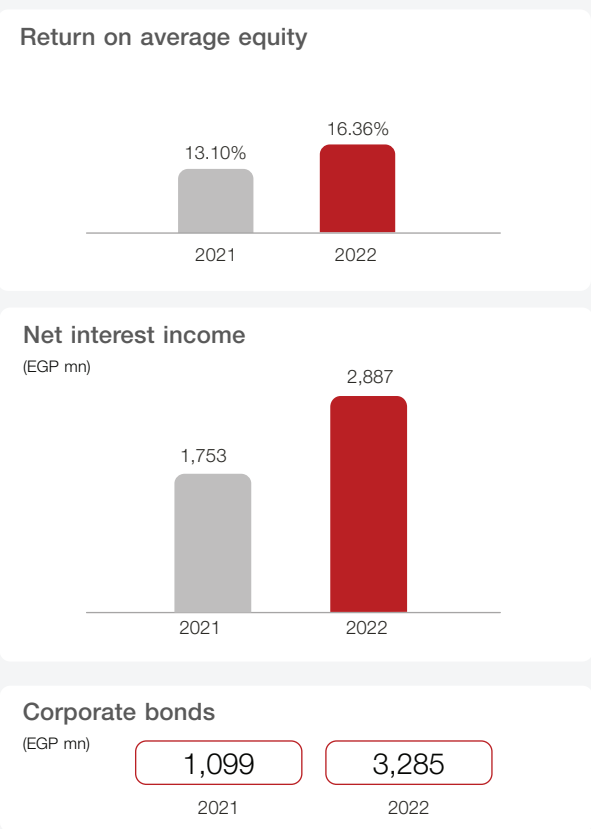
Corporate Bonds



Strong financial performance



Consistent returns



ADCB Group at a glance

Creating value

Our value creation is underpinned by a strong foundation of robust corporate governance, strategic risk management and an enduring commitment to customers and communities we serve.

Our strengths

Leadership

ADCB benefits from an experienced Board of Directors supported by a highly skilled Executive Management team, who actively promote a healthy organisational culture and ensure robust operational efficiencies.

Governance

The Bank has a strong and effective governance framework, based on the highest standards of international best practice. It provides the foundation for long-term success and demonstrates the integrity and transparency our stakeholders expect.

Innovation

ADCB continuously enhances its digital and technological capabilities using advanced data analytics to make banking more accessible and secure, while providing an exceptional customer experience.

Resilience

We are a domestic, systemically important bank with more than AED 498 billion in total assets, robust liquidity, and strong credit ratings.

Our strengths (continued)

ESG

Sustainability is a key focus of the Bank's strategic agenda. We are committed to maximising ADCB's contribution to the UAE's ambition for an inclusive, net zero economy through a range of ESG initiatives.

Brand

ADCB maintains substantial brand value and attracts a growing base of more than 1.5 million customers. According to the '2023 Global Brand Finance Report' for the top 500 banks, ADCB has an estimated brand value of USD 2.6 billion, up 12% from the previous year⁽¹⁾.

Expertise

We provide a full range of innovative banking products and services to our customers, supported by an in-depth knowledge of the markets we operate in and detailed economic insights which helps them grow and prosper.

Diverse ownership

ADCB is 60.20% owned by Mubadala Investment Company (through its wholly owned subsidiary, One Hundred and Fourteenth Investment Company – Sole Proprietorship LLC). The Bank has a growing share of foreign institutional shareholders from over 75 countries.

Talent

The Bank employs a diverse workforce of more than 8,400 people⁽²⁾ from over 80 nations, including 1,910 UAE nationals⁽³⁾, united by shared values and an inclusive, high-performance culture.

About ADCB

Our vision

To be the number one bank of choice in the UAE.

Our mission

To build partnerships with customers that last a lifetime by acknowledging every customer as an individual, offering innovative products and unparalleled service, and understanding that customers have a choice.

Our strategic goals

To deliver sustained, profitable growth to create long-term benefits to stakeholders.

Our values

- Integrity
- Care
- Ambition
- Respect
- Discipline

Our business segments

- Retail Banking Group
- Private Banking & Wealth Management Group
- Corporate & Investment Banking Group⁽⁴⁾
- Treasury & Investments Group
- Property Management

Our key subsidiaries



Delivering stakeholder value

Employees

Fulfilling careers, competitive benefits and rewards with professional development.

Customers

Protecting and growing the wealth of more than 1.5 million customers, from individuals, SMEs and large corporates to government entities.

Community

Playing a role in the socio-economic development of the country. Guided by the vision of the UAE leadership, the Bank is fully committed to initiatives that create a diversified and sustainable economy.

Regulators/Government

Engaging with relevant authorities to support a responsible regulatory framework.

Investors

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

Partners

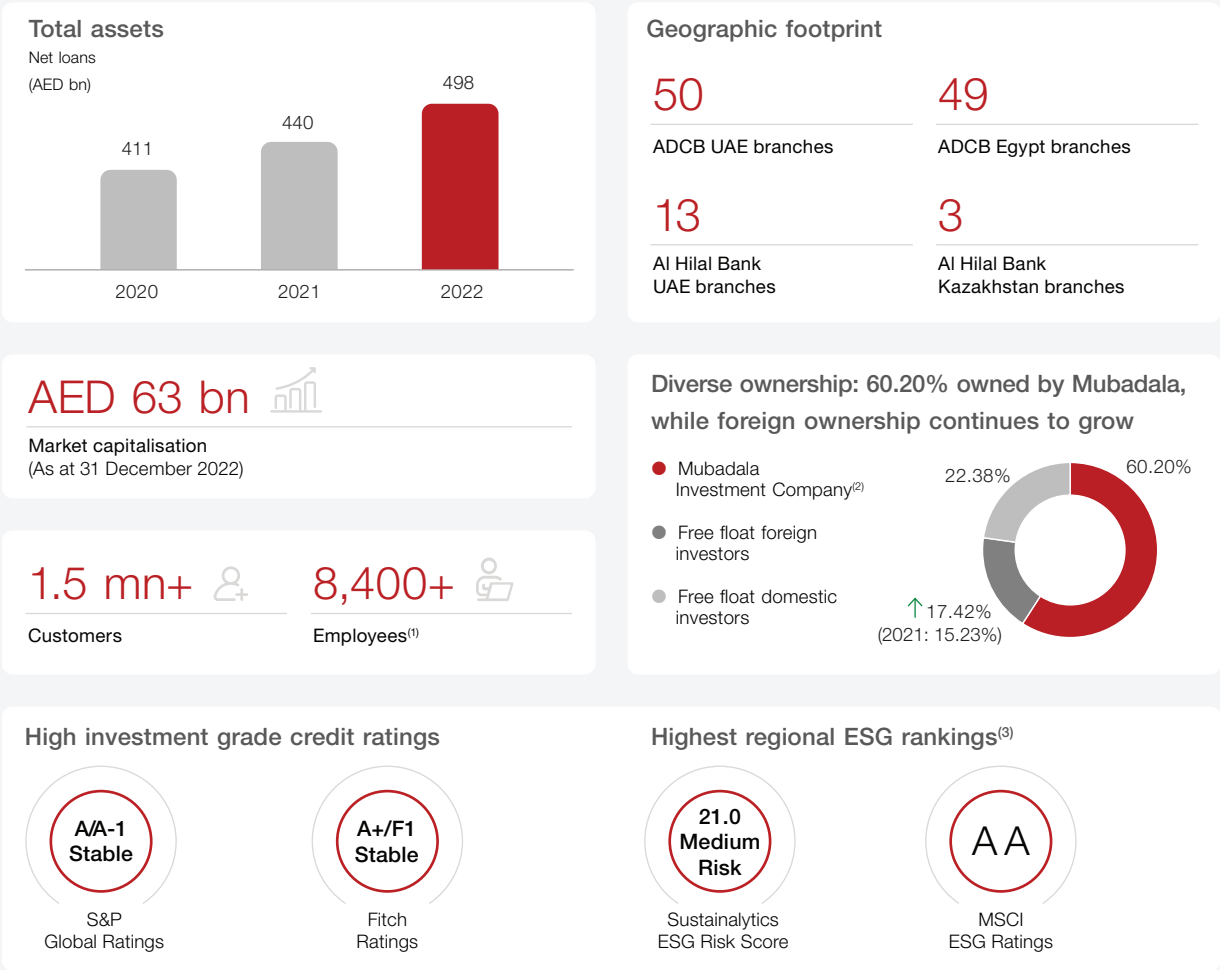
Working with numerous suppliers, providing them with new business opportunities and timely payments.

(1) The report by leading brand valuation consultancy, Brand Finance, evaluates companies against a number of metrics such as brand impact and brand strength
(2) ADCB Group, including temporary employees on full-time basis
(3) Emiratisation figure refers to UAE nationals employed by ADCB UAE and AHB UAE
(4) In 2023, Wholesale Banking Group was rebranded to Corporate & Investment Banking Group

ADCB Group at a glance

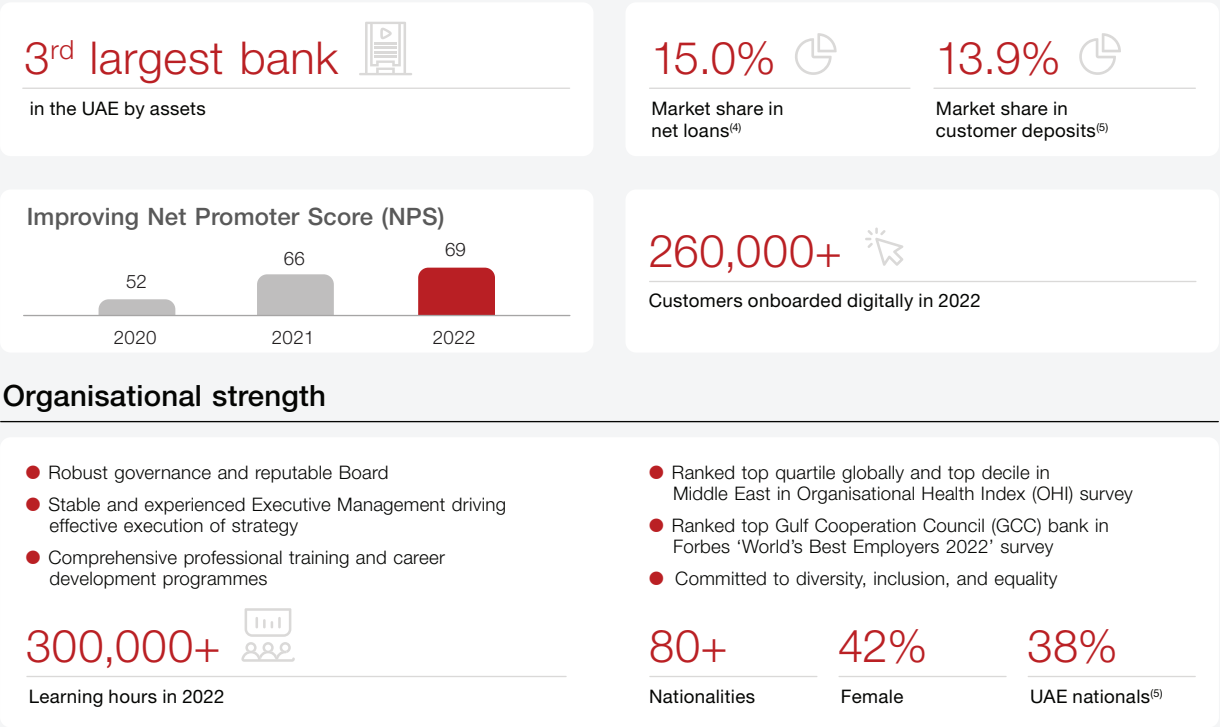
Institutional strength

Scale and stability

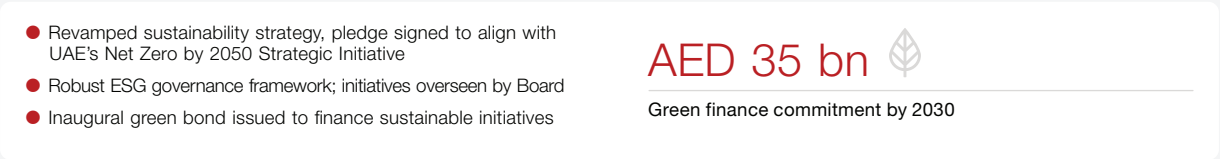


(1) ADCB Group, including temporary employees on full-time basis
(2) Through its wholly owned subsidiary One Hundred and Fourteenth Investment Company – Sole Proprietorship LLC
(3) Highest-ranked diversified bank in the GCC by Sustainalytics as at 19.01.23 Source: Sustainalytics Ratings Portal
Highest-ranked diversified bank in MENA by MSCI as at 19.01.23 Source: MSCI Ratings Portal

A leading market position in UAE



Best-practice approach to ESG

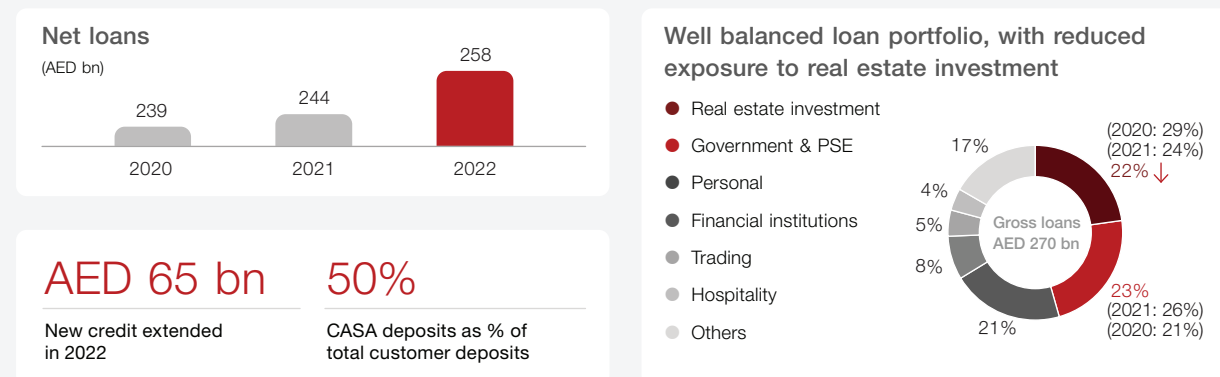


(4) Based on UAE Central Bank data as of December 2022
(5) Emiratisation figure refers to UAE nationals employed by ADCB UAE and AHB UAE

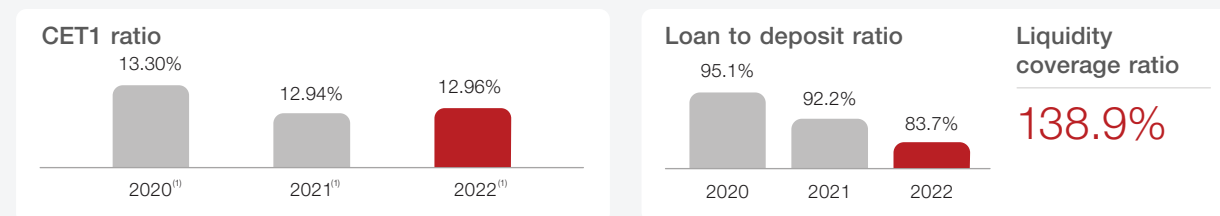
ADCB Group at a glance

Financial strength

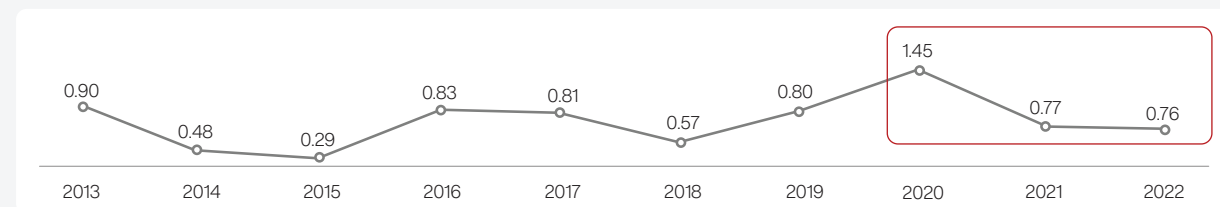
Robust balance sheet



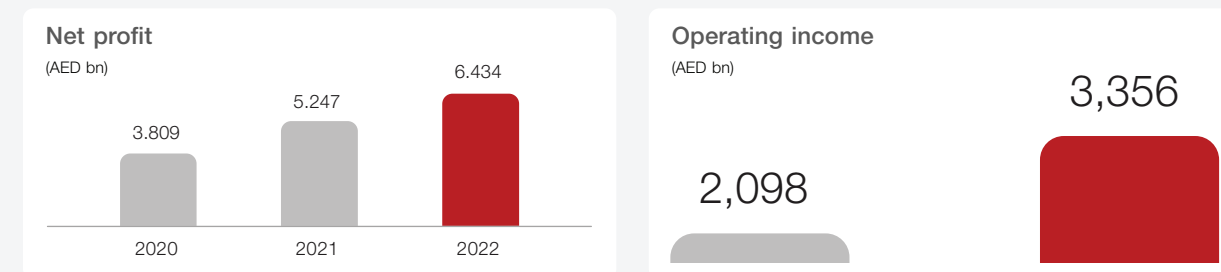
Healthy capital and liquidity position



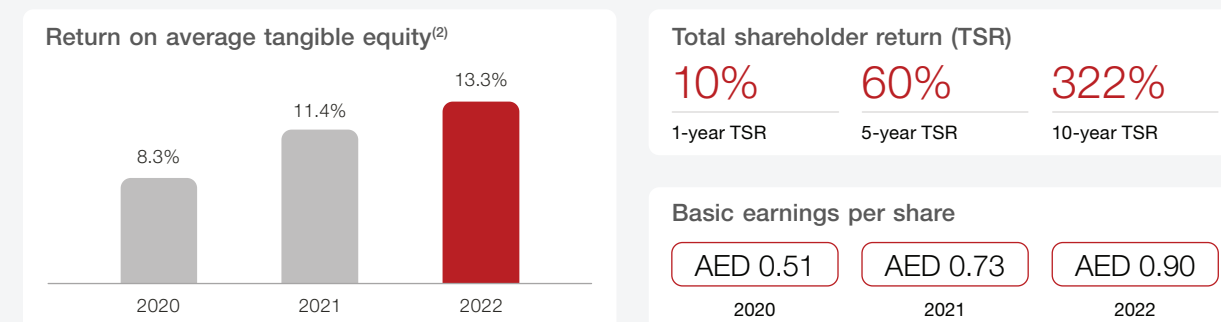
Improved cost of risk (%)



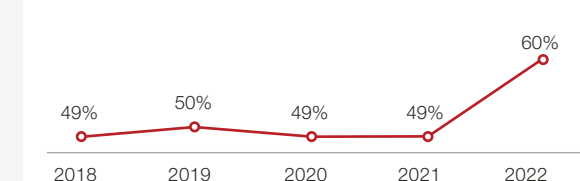
Strong financial performance



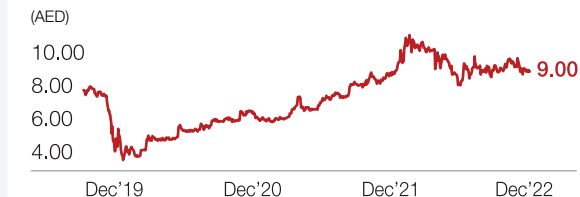
Consistent returns



Dividend payout ratio



ADCB 3-year share price performance



(1) Post deduction of proposed dividend
(2) For ROATE calculations, net profit attributable to equity shareholders is considered, i.e., net profit after deducting interest expense on Tier 1 capital notes

ADCB Egypt CEO letter

Making strides to seize opportunity in a transforming economy



Ihab El Sewerky

CEO and Managing Director ADCB Egypt

I am pleased to present ADCB Egypt's 2022 second ESG report reflecting on an eventful year for our Bank, filled with remarkable achievements and inspiring progress. Our commitment to Environmental, Social, and Governance (ESG) principles remains persistent as we continue to drive positive change in our operations and the communities we serve.

In 2022, ADCB Egypt was recognised as one of the fastest-growing banks in Egypt, and sustainability is a crucial factor in maintaining this position. Thus, we understand that sustainability is not just a goal but a journey that requires continuous effort and dedication. We also recognize the inextricable relationships between environment, communities, public policy, economic growth and financial inclusion. The Bank is therefore

adopting a holistic approach to ESG and is embedding sustainability in the corporate strategy.

In this context, we are active on the 4 pillars of the Group's approach to ESG. For the Climate, we are aligning our work with the CBE's Sustainable Finance principles, requirements and initiatives. As a financial institution, we recognise the importance of a transition to a net-zero economy and are committed to proactively managing our influence on the environment, both in our operations and lending portfolio. We aim to help corporations and SMEs transition to a low-carbon economy with environmental and social risk management to be integrated into the credit decision making process. In addition, we are proud to report on our 2nd GHG emissions for FY2022 and we are considering our decarbonisation plan in motion.

For our customers and communities, our commitment lies in continuously enhancing service quality, accessibility and technological innovations to ensure convenience and seamless banking experiences. We strongly believe in social and financial inclusion and therefore strive to create equal opportunities by empowering those in need with a special focus on people with disabilities. We are also dedicated to investing back into the communities where we operate. By improving their quality of life, we aim to leverage the benefits of modern society and foster sustainable economic growth.

For our people, they are our greatest asset, and we are dedicated to providing a safe and healthy work environment for all, prioritizing their well-being and enhancing our employees' awareness of organisational goals throughout the performance management process. We are standardising our Key Performance Indicators (KPIs) to bridge the gap between employee performance expectations and the Bank's overall strategy. This unified approach will ensure clarity, consistency, and a shared focus on achieving our organisational goals. Furthermore, we are committed to applying sustainable employment practices, gender equality in all areas of human resources, including employment, career development prospects, promoting work-life balance.

Since the establishment of ADCB Egypt, we were very much attentive to apply the best international practices and standards in order to build a solid corporate governance for the Bank's continuation and prosperity. During 2022, we focused on setting robust foundations

for ESG. We have successfully established a dedicated sustainability committee to guide and oversee our sustainability initiatives. This committee has a pivotal role in aligning our efforts with international best practices and embedding sustainability as a core tenant of our organisational spirit.

Looking ahead to 2023, we have set our sights on further aligning our policies, strategies, and procedures with the ADCB Group's comprehensive ESG framework. Doing so will ensure that our sustainability efforts are fully integrated into the Group's overarching vision and strategy while fulfilling the local regulations and mandates. This alignment will enable us to harness the collective strength of the ADCB family and drive an even greater impact in the areas of utmost significance.

As we reflect on our achievements and set our sights on the future, I extend my appreciation to all our stakeholders for their consistent support. It is through our collaborative efforts that we have been able to create a sustainable and resilient Banking culture. Lastly, I invite you all to join us on this remarkable journey of encouraging a greener and more inclusive future. Together, we can make a profound impact on the environment, communities, and future generations.

Context in Egypt

Population growth in Egypt poses both challenges and opportunities for the banking sector, as the country faces problems associated with poverty, inequality, water scarcity, air pollution, and climate change. The Egyptian banking sector is taking concrete steps to address these challenges by developing sustainable finance strategies focused on social and environmental risk management, responsible lending practices, and green financing, following the related guiding principles published by the Central Bank of Egypt (CBE).

Climate change

Considering Egypt's high vulnerability to climate change, adapting to the adverse impacts of climate change is imperative as part of the efforts to mitigate climate change.

Adaptation to climate change and disaster risk reduction was the primary objectives of Egypt's first National Strategy in 2011. A comprehensive national climate change strategy until 2050 has also been requested by the Egyptian National Climate Change Council (NCCC) to address the impacts of climate change.

Some of Egypt's strategic goals in this front include sustainable economic growth in key economic sectors with low emissions, resilient and adaptive response to climate change, governance and management of climate change action, infrastructure enhancement for climate finance, and combating climate change by advancing scientific research, technology transfer, and knowledge management.

Recent Commitments and Response to Climate Action

	Egypt's government projects to go 30% green by 2024, and up to 100% by 2030 ⁽¹⁾ .
	Egypt issues its First Updated Nationally Determined Contributions .
	Egypt announced that plans are underway to implement three green petrochemical projects with a total value of \$1.2 billion ⁽²⁾ .
	Egypt seeks partnerships with U.S. private sector for green investment boost.
	Reduce GHG emissions compared to business as usual by 2030 by 33% across the energy sector.
	Raise the share of renewable energy in the nation's electricity mix to 42% by 2035 ⁽¹⁾ .

Sustainable finance

The term sustainable finance may be referred to as financial tools designed to address challenges related to climate change, as well as other social and environmental issues. This funding is raised from the public as well as private sectors including institutional investors, banks, financial regulators, central banks, and international finance institutions. Sustainable financing can be availed in the form of inclusive loans and subsidies, guarantees and risk insurance, international climate finance, green bonds, sovereign wealth funds, state-owned enterprises, and more.

In September 2020, the Egyptian government introduced its Green Financing Framework and successfully launched its inaugural USD750 million Green Bond, this marked the first sovereign Green Bond in the Middle East and North Africa.

Egypt has actively utilized sustainable financing tools to support its development initiatives. In 2014, the IBRD provided a \$300 million line of credit to MSMEDA, while the EBRD issued a \$30 million loan to the NBE to promote renewable power generation and energy efficiency. In recent years, the EBRD has increased its sustainable financing efforts in Egypt, launching the Green Value Chain program in 2020 with EUR 70 million in funding. In January 2023, GEFF II was introduced, supported by the GCF, EU, and EBRD, providing EUR 150 million for climate change adaptation and mitigation by private sector companies. These initiatives highlight Egypt's commitment to sustainable development, renewable energy, and green financing partnerships to address environmental challenges and promote a greener future.

Regulations

The CBE has put together a set of sustainable finance regulations in 2021 in line with the Egypt Vision 2030 and Sustainable Development Goals (SDGs). These regulations are based on six key principles: building the required knowledge and capabilities, improving sustainable finance, ensuring stakeholder involvement, climate change risk management, application of sustainable principles in internal operations and activities, and reporting.

Prepared in accordance to international best practices, these regulations are intended to direct and guide banks towards financing projects that are sustainable and create investment opportunities for investors that are inclined towards sustainable ventures. It also encompasses the creation of independent sustainability and sustainable finance departments within each bank and integration of sustainable finance policies and procedures with the credit and investment policies of the banks.

Financial inclusion

The National [Financial Inclusion Strategy \(2022-2025\)](#), has been launched recently by the CBE with an aim of improving financial inclusion by enhancing access to formal financial services for underserved populations, promoting financial literacy, strengthening financial infrastructure, and enhancing financial inclusion among women and people with disabilities. The CBE is collaborating with government agencies, financial institutions, and stakeholders to achieve these objectives, including establishing a financial inclusion fund and offering microfinance services. The strategy has positively impacted Egypt's economy by expanding credit opportunities, encouraging innovation, and facilitating access to financial services.

(1) [Egypt's National Climate Change Strategy \(2050\)](#)
(2) [Egypt's First Updated Nationally Determined Contributions](#)

ADCB Egypt strategy

ADCB Egypt's strategy is aligned with ADCB Group's strategy and its built on five core values: Care, Respect, Discipline, Ambition, and Integrity.




ADCB Egypt's corporate strategy was formulated in alignment with the ADCB Group Corporate Strategy. Sustainability is one of the core pillars of the strategy development. achieving growth by taking advantage of the opportunities available in the local markets, sustainability through developing the deposit base, achieving the highest levels of quality and efficiency in all our financial products and banking services, and tackling the risks encountered by the Bank.



ADCB Egypt strategy


One of the strategic pillars of ADCB Egypt is digitisation, ADCB Group's Digital Strategy, derived by ADCB Group's Corporate Strategy, focuses on investment & initiatives based on the following four areas:

Our digital strategy focuses on investment and initiatives based on the following four areas:




1. Technology

Building a modern cost-effective technology landscape




2. Digital & analytics

End-to-end digitisation to deliver a best-in-class customer experience



3. Organisational capabilities

Building cutting-edge expertise to strengthen technical capabilities



4. Compliance & cybersecurity

Embedding a strong compliance and risk management culture and implementing robust cybersecurity



Our approach to ESG

ADCB Egypt recognises its responsibility and unique opportunity to contribute to Egypt's sustainable banking sector, aligning with ADCB Group's position that ESG serves as a key differentiator.

With the growing awareness of the benefits of ESG Strategies and the sustainable finance initiatives by the CBE, ADCB Egypt has been aiming to expand its business operations and working towards enhanced transparency and industry segregation.

By reporting annually on its ESG activities, the Bank aims to contribute in achieving the UN Sustainable Development

Goals and Egypt's Vision 2030, bolstered by ADCB Group's strong management capabilities and governance structure.

The Bank is committed to launching green products in line with ADCB Group's Green Bond Framework and sustainable finance policy and driving sustainable employment practices.

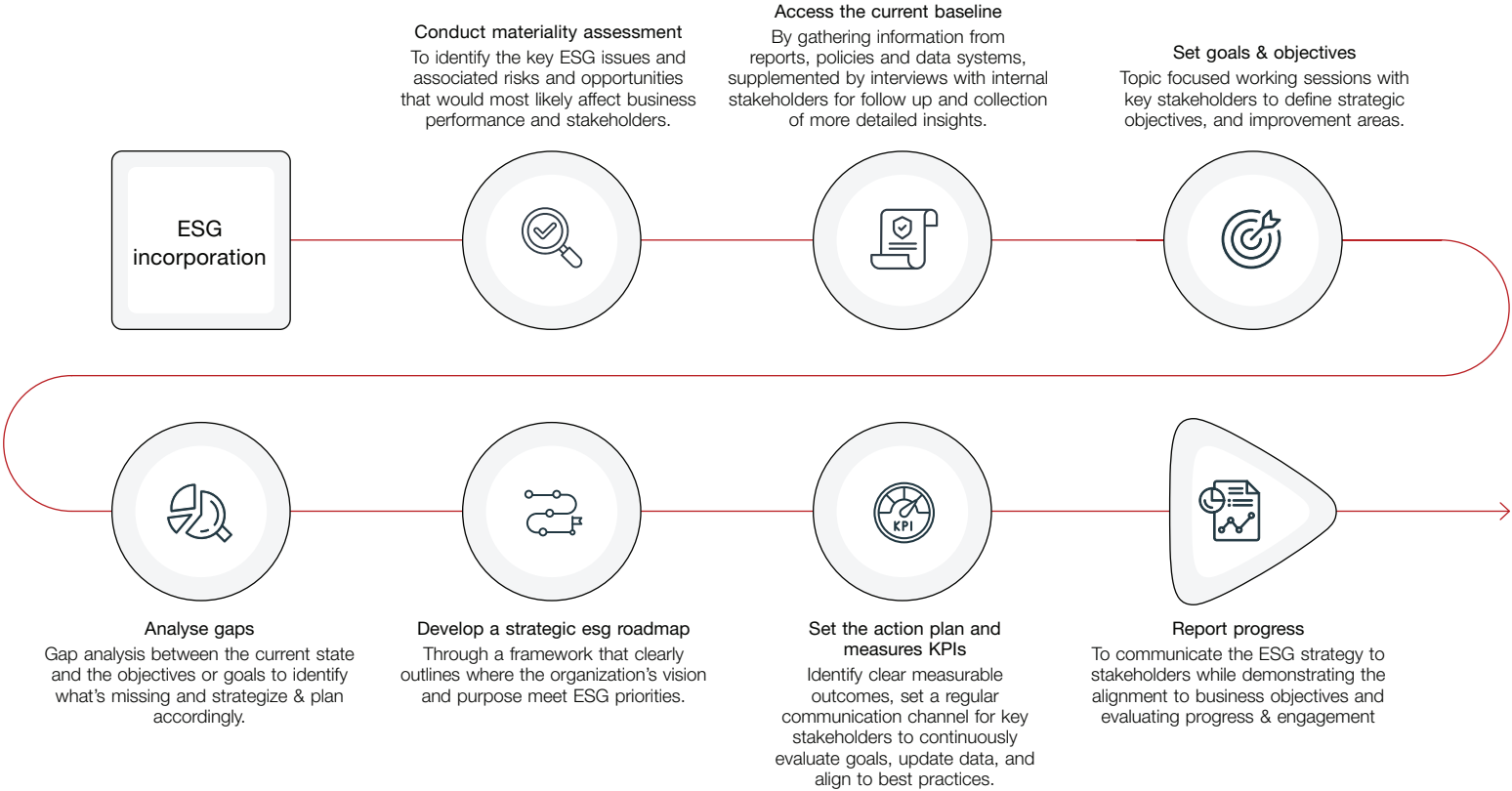
Through effective implementation of policies and frameworks, ADCB Egypt strives to develop a position in sustainability while actively participating in initiatives like COP27 and promoting a clean energy transition through sponsorship and partnerships.

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Aligning with ADCB Group's ESG position: a strategic imperative

As a key entity within the ADCB Group, ADCB Egypt recognizes its strategic role and potential to contribute significantly to the region's aspiration for a more inclusive and sustainable banking sector. With the rising awareness of the advantages of implementing an ESG strategy, we see an opportunity to drive change through organizational strength. This approach can transform the way industries and transactions are segmented, thereby opening up new avenues for ADCB Egypt to expand its business operations. By harnessing these opportunities, ADCB Egypt can further solidify its position within the ADCB Group, while actively contributing to the development of a more sustainable banking ecosystem.



Aligning with ADCB Group's ESG position: a strategic imperative

ADCB Egypt maintains transparency and is looking forward to report annually on its ESG activities. This approach enables us to play a key role in achieving the country's commitment to the UN Sustainable Development goals and Egypt's Vision 2030.

Backed up by ADCB Group's strongly built governance structure, ADCB Egypt has the capability and management skills to integrate the strategic initiative into the Bank's roadmap.

In 2022, ADCB Egypt formed its sustainability department. It started the capacity-building phase to fully align with ADCB Group's new Sustainability Policy and Environmental and Social Risk Management Policy and governance framework.

ADCB Egypt is aligned with all CBE's sustainable finance principles and mandates, released by the CBE in July 2021, in which it offers project-specific and corporate loans and building internal capacities to ensure their effective implementation.

In addition, ADCB Egypt is working on aligning and categorizing its sustainable finance products and green loans by ADCB Group's Green Eligibility Criteria as specified in its [Green Bond Framework](#).

Future outlook

Egypt aims to convert half of its national projects to green ones by 2024 through bonds. ADCB Egypt looks forward to launching green products in line with ADCB Group's Green Bond Framework in 2023.

ADCB Egypt is actively working to adopt, implement and align to all frameworks, policies, procedures, and guidelines issued by ADCB Group. In 2022, ADCB Group approved a new sustainability strategy and governance framework with full Board oversight and coverage across the Bank. The Group has also launched a Group Sustainability Policy and an Environmental and Social Risk Management (ESRM) Policy to integrate the assessment and mitigation of ESG risks associated with credit counterparties within its Enterprise Risk Management framework. These policies are further supported by topic-specific and sectoral policies, operating procedures, and guidelines to ensure effective implementation across the group.

ADCB Egypt's commitment to sustainability and environmental responsibility is in line with ADCB Group's vision of launching an integrated sustainability strategy and issuing green products. The Group has set a target of allocating 35 billion AED by 2030 towards supporting green finance to reduce carbon emissions and financing initiatives that help customers transition to a net-zero economy. ADCB Egypt is dedicated to promoting environmental awareness and supporting the development of a green economy in Egypt.



Case study

COP27 participation towards environmental awareness & clean energy transition

By hosting COP27, Egypt has emerged as a key participant of the global sustainability dialogue, showcasing its accomplishments as well as emphasising the need for actions that are more decisive and ambitious. A major focus of COP27 was on Egypt's challenges, including efforts to close the gender gap, vulnerability caused by climate changes, and the rapid expansion of solar energy. These challenges have not only shaped the way regional stakeholders analyse threats and concerns related to sustainability in Egypt, but also played a role in the development of solutions for ensuring compliance and maintaining leadership.

“Accelerating Climate Business,” panel discussion

ADCB Egypt participated in COP27's “Accelerating Climate Business” panel to highlight its environmentally responsible practices and commitment to sustainability. ADCB Egypt participated in COP27's “Accelerating Climate Business” panel to highlight its environmentally responsible practices and commitment to sustainability. The panel focused on promoting a clean energy transition in Egypt, encouraging collaboration and innovation towards achieving a sustainable future

and providing valuable insight into the latest trends and initiatives in sustainable finance. The panellists discussed the importance of promoting a clean energy transition in Egypt, encouraged innovation and collaboration, and shared key information related to the latest trends in sustainable finance.



ADCB Egypt supports the journey to the climate summit: The Ride to COP27 Igniting climate change awareness from the Nile to the Sahara

ADCB Egypt announced the sponsorship of “Journey to the Climate Summit”, in an initiative to raise awareness of climate change, which was launched under the auspices of the Ministries of Planning and Economic Development, Youth, Sports, Environment and Military Production, and in cooperation with the United Nations Development Program and the Sustainable Services Project funded by the United States Agency for International Development (USAID), ahead of Egypt's hosting of the Summit Climate COP27.


The Bank's sponsorship for this innovative initiative comes in implementation of its plan to achieve sustainability and spread environmental awareness, especially for the young generation, to make an impact and build a better future for Egypt, in line with Egypt's Vision 2030, and the National Strategy 2050 and the sustainable development goals of the United Nations. The Bank's plan also comes in line with the vision and the sustainability strategy of ADCB Group, and its commitment to achieving net zero emissions by 2050.

The “Journey to the Climate Summit” initiative is the first of its kind in the world, which included the use of electric motor sport to serve environmental goals. The biker Ali Abdo is an environmental activist and the first Arab to set a record on an electric vehicle. He is one of the graduates of the “Be an ambassador” initiative of the Ministry of Planning and the National Institute governance and sustainable development.





The trip started from Abu Simbel in Aswan to Sharm El-Sheikh and lasted for 30 days, passing through more than 40 stations around the governorates of Egypt, covering over 12,000 km – aiming to achieve the longest distance in the world on an electric bike, and be documented in the Guinness Book of Records.

Covering over 500 km per day, adventurer Ali Abdo's mission included visiting schools, universities, villages, and government offices to deliver environmental awareness messages, document the societal impacts of climate change through storytelling, raise awareness about reducing personal carbon footprints, and inspire innovative solutions among the youth. This comprehensive initiative aimed to engage individuals in all governorates along the journey, as well as local and international civil society institutions, with a particular focus on school and university students. The overarching goal was to raise youth awareness about climate change and encourage support for the National Strategy 2050, which aims to achieve sustainable economic growth with low emissions, build resilience, and foster adaptability to climate changes while mitigating their negative effects.

ESG achievements in 2022

 Setting the roadmap	<ul style="list-style-type: none">• A roadmap and governance structure was proposed and validated• The 1st sustainability committee meeting was held• Sustainability objectives were integrated within the Bank's business strategy• An ESG awareness campaign was launched on social media• Created a roadmap for the sustainable finance to be approved in Q1 2023
 Onboarding & engagement	<ul style="list-style-type: none">• The Bank's senior management was onboarded and awareness sessions were delivered• Key ESG issues were identified and a materiality assessment was conducted• Sustainability champions were nominated across the Bank's business departments and their capabilities were built• Engaged in sustainability-related initiatives within the market, and collaborated with industry peers and the sustainability network• Engaged with governmental entities including the Ministry of Planning and the Ministry of Environment
 Alignment with ADCB Group's strategy & report preparation	<ul style="list-style-type: none">• Adopted the Group sustainability strategy framework• Engaged with the Bank's lines of business to collect ESG data• Mapped ADCB Egypt's portfolio against the Group's green bond criteria• Established a sustainability governance framework• Started an awareness campaign externally on sustainability with a special focus on climate change• Took part in ADCB Group's green bond workgroup• Approval of ADCB Egypt's ESG strategy by the Board and Executive committee• Adopted the Group ESG policy
 1st ESG report launch and participation in COP27	<ul style="list-style-type: none">• Validated and launched the Bank's first ESG report• Published the Bank's first carbon footprint report on FY2021• Launched 2 partnerships "Ride to COP" and "Climate Accelerator" in COP• Relayed all participation options for the Group in COP27• Created a social media awareness video on responsible consumption prior to COP27

Future outlook

 ESG gap analysis and integration in core business functions	<ul style="list-style-type: none">• Plan the upcoming milestones based on the identified gaps• Accelerate the incorporation of sustainability into all business lines as a continuous mandate• Explore the available automated tools for data collection• Establish a sustainable finance unit
 Establish ESG – related policies and risk management systems	<ul style="list-style-type: none">• Identify sustainable finance opportunities across the sectors we finance and identify current customers in high-risk sectors• Establish a sustainability and sustainable finance• Establish an environmental and social risk management policy• Establish a green procurement policy• Work on the ESRM score cards, questionnaires and risk management awareness
 ESG reporting and monitoring	<ul style="list-style-type: none">• Publish ADCB Egypt's second ESG and carbon footprint reports in line with ADCB group• Complete the CBE's periodic general ESG performance and sustainable finance disclosure requirements
 Advance our ESG leadership	<ul style="list-style-type: none">• Advance our engagement in Sustainable and ESG initiatives, through government, related Ministries, or private sector organizations• Launch the planned green products• Launch of Women Empowerment Principles (WEPs) Scoring for ADCB Egypt

2022 ESG performance highlights

ADCB Egypt achieved a significant milestone in ESG performance in 2022, demonstrating its commitment to sustainability and responsible practices. The Bank's dedication to customer satisfaction, employee diversity, and employee training remains unwavering. The Bank also demonstrates zero tolerance for corruption and maintains integrity in all aspects of its operations.

Climate

Total GHG absolute emissions in 2022⁽¹⁾
1,449 tCO₂e

GHG emissions (tCO₂e)

Scope1	283
Scope2	779
Scope3	387

2022 GHG emissions intensity⁽²⁾ 1.71 tCO₂e/FTE

Sustainable finance projects in 2022

4,358^{EGP}_{Mn}

Local procurement

76%

of procurement spending was directed to local purchases.

Go to Climate

Customers and communities

Retail digital transactions

2022	80%
2021	60%
2020	4%

by ADCB Egypt retail customers
Subscribers to digital platforms increased by 22% from 2021 to 2022.

Customer complaints

75%

Percentage of customer complaints resolved within the approved SLA

Launching of the Erada loan

Empowering people with disabilities by providing them with equal opportunities to access financial resources, supporting their dreams and aspirations.

Go to Customers & communities

Employees

New hires

2022	237
2021	191
2020	133

35% of females and 80% under the age of 34 were among our new hires in 2022.

Learning and development

A total of 60,750 hours of training were delivered to our employees.

ADCB Academy celebrated the graduation and hiring of its Second batch of 50 fresh graduates.

Employee diversity

Percentage of female employees

32%

Go to Employees

Governance

Board diversity

12.5%

Female members on the Board

Data privacy & protection training

100%

Employees formally trained on information security, data privacy and protection

Anti-corruption

100%

of ADCB Egypt's employees have formally acknowledged compliance with our code of conduct

Go to Governance

100%

of ADCB Egypt's board members, employees, business partners, and suppliers have formally acknowledged their compliance with the anti-bribery & anti-corruption policies.

(1) These indicators cover the operations of ADCB Egypt's head office building only.
 (2) Covers Scope 1 and Scope 2 emission sources only, reported in tons of carbon dioxide equivalent per full time employee.

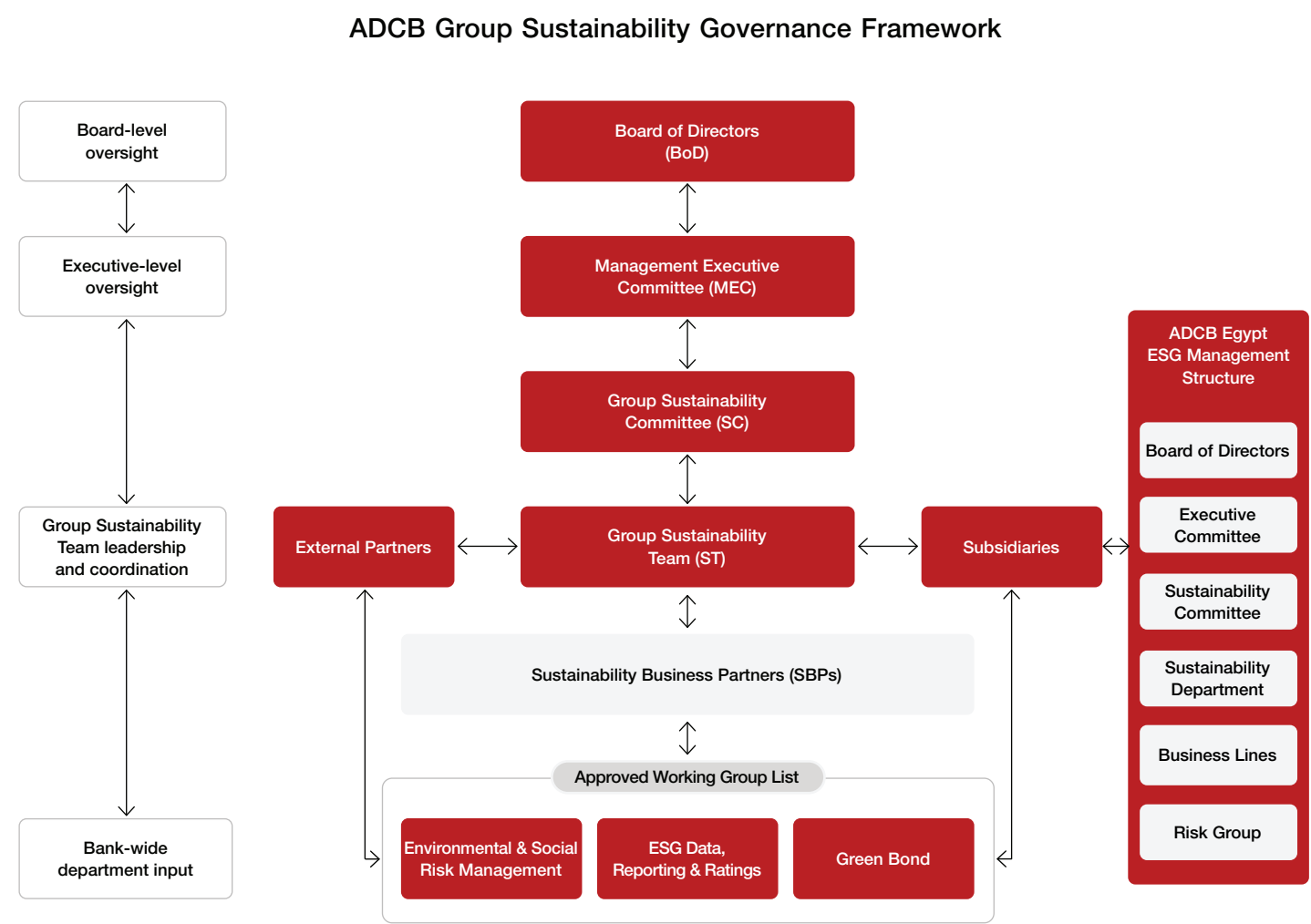
2022 ADCB Egypt ESG Report 19

ADCB Egypt's ESG governance framework

ADCB Egypt continues to build on the 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.

ADCB Egypt's first sustainability committee meeting was conducted in 2022.

ADCB Egypt adheres to the ESG management structure in accordance with the Group's Sustainability Governance Framework. The ADCB Egypt's Management Executive Committee oversees the implementation of the strategy and reports to ADCB Egypt's Board of Directors. ADCB Egypt's Sustainability Committee determines the priorities and ambition levels in alignment with ADCB Group's Strategy. The Group's Sustainability Committee sets the Bank's Sustainability Strategy and priorities and determines its ambition level. ADCB Egypt's sustainability committee also reviews proposals for sustainable projects from each business line head and executes them. ADCB Egypt's Sustainability Team serves as an Organisational focal point to ensure sustainability principles are integrated across the Bank. In alignment with the group's efforts and as an operational refinement, ADCB Egypt has founded a Sustainability Committee headed by the CEO & Managing Director, and sustainable finance business operations are directly reported to the committee as applicable.






Stakeholder engagement

ADCB Egypt initiated a stakeholder engagement process across its various departments and has established defined frequencies and communication channels. The primary objective is to integrate stakeholder feedback into the Bank's operations, driving continuous improvement and alignment with their expectations.

How we engage

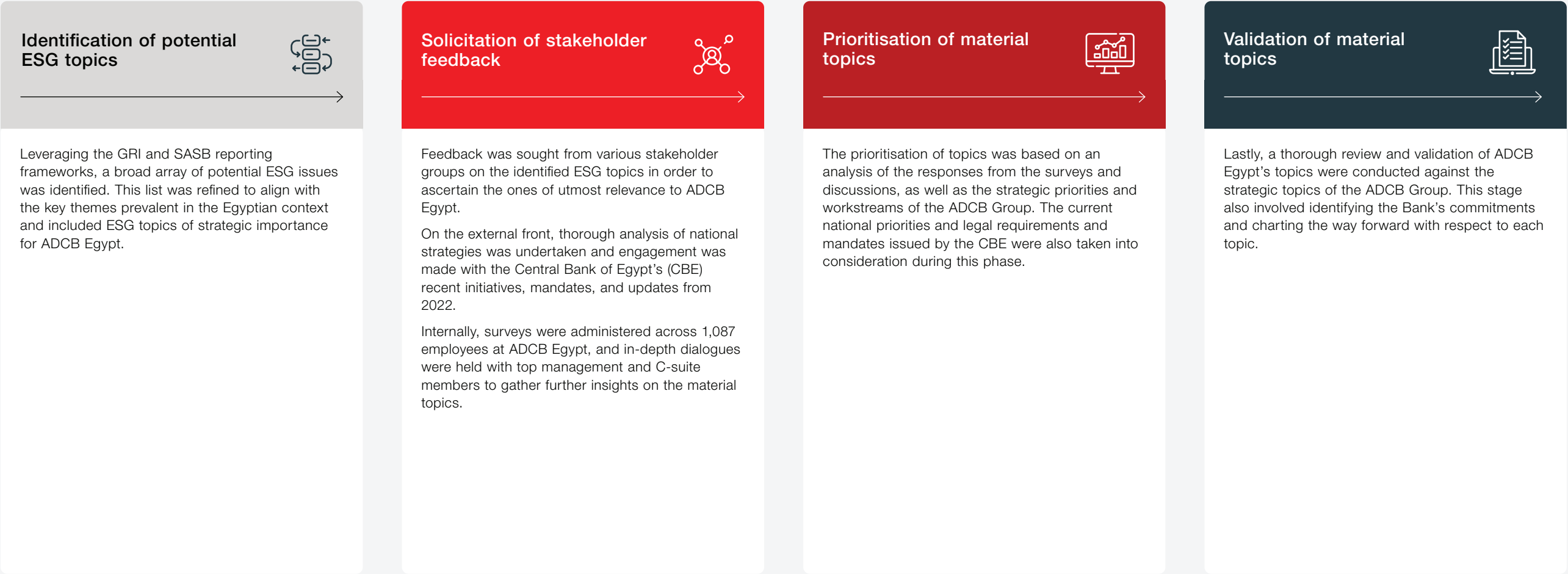
Stakeholder group	Their most important ESG topics	How we engaged
Customers 	Customer experience, ethical banking practices, fair pricing, information security and data privacy	Customer satisfaction surveys, one-to-one meetings, online and mobile banking, branch visits, social media, and customer contact centre
Employees 	Health and well-being, training and skill 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.	ADCB Egypt's engagement with investors and financial disclosures are channelled through ADCB Group by using quarterly and annual disclosures, including earning press releases and group investor meetings.

Stakeholder group	Their most important ESG topics	How we engaged
Governmental entities 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.
Suppliers 	Responsible procurement & sustainable supply chain management, and green procurement.	Calls and conference calls, surveys, one-on-one and virtual meetings

Materiality assessment

Centering on Key Concerns

In 2022, ADCB Egypt reaffirmed the findings of an extensive materiality assessment completed in the prior year. This assessment involved engaging with both internal and external stakeholders to gather feedback on the ESG topics of greatest relevance to ADCB Egypt.



Materiality assessment

Identifying our most material topics

For ADCB Egypt, we have identified 28 ESG topics that were prioritized as material to the Bank and our stakeholders. Through validation by senior management, we grouped common topics to arrive at 15 material ESG topics. We remain committed to disclosing our performance and progress in managing these topics through our annual ESG reports and other communication channels.

1,087



Employee opinions

Captured via surveys conducted across the Bank

ADCB Egypt Material Topics in line with ADCB Group

Environmental topics	Social topics	Governance topics
Sustainable finance	Customer satisfaction	Corporate governance, compliance and code of conduct
Environmental and social risk management	Financial inclusion	Risk management and cybersecurity
Net zero operations	Digital and innovation	Financial crime, anti-bribery and corruption
Green procurement and supply chain	Community investments	Tax transparency
	Employee engagement and well-being	
	Learning and development	
	Equality, diversity and inclusion	

Strategic priorities

ADCB Egypt's sustainability strategy focuses on managing business opportunities and risks related to environmental, social, and governance (ESG) topics.

By prioritising areas like customers, climate, communities, employees, and governance, ADCB Egypt aims to strengthen its operational practices and business resilience while supporting the transition to an inclusive, net-zero economy.

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ADCB Group sustainability strategy

Purpose Support the transition to an inclusive, net zero economy

Strategic priorities

Ambition

Climate



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

Workstreams

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

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

Customers and communities



Provide inclusive and innovative financial services to drive sustainable economic growth

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

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

Employees



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

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

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

Governance



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

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

- > 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 Group sustainability strategy

ADCB Egypt follows **ADCB Group's Sustainability Policy**, based on a comprehensive materiality assessment guided by the United Nations' Sustainable Development Goals. Through this strategy, the Bank seeks to manage the business risks and opportunities across the material ESG topics that matter most to 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.

ADCB Group's corporate strategy is a core pillar informing ADCB Egypt's strategy. In fact, the Group's strategy enables the Bank 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. Each pillar encompasses specific commitments that help us identify and prioritise the initiatives we seek to address. 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.

ADCB Egypt's sustainability department is responsible for setting and implementing the ESG strategy. This strategy is being complied with the overall strategic plan, and a governance structure is in place for the follow-up mechanism between ADCB Egypt and ADCB Group.







The Bank focuses on providing inclusive financial services, driving digital innovation, and investing in the community. ADCB Egypt is also committed to creating a thriving workforce, promoting equality, and upholding high standards of corporate governance and ethical conduct.



ADCB Egypt's progress against ADCB Group's sustainability strategy












As part of ADCB Group, ADCB Egypt is committed to adopting sustainable business practices that align with the group's sustainability strategy, to achieve the Group's sustainability goals and targets. The Bank is continuously working towards reducing its environmental impact, promoting responsible lending practices, and engaging with its stakeholders to build a more sustainable future. Through its commitment to sustainability, ADCB Egypt is not only contributing to the long-term success of the Bank, but also to the development of a more sustainable economy in Egypt and beyond.

ADCB Egypt is working across each of the strategic priorities and work streams through the set of the Group's key enablers, directed by ADCB Egypt's strategy and ambition.

ESG Enablers	
	ESG governance & policies
	Targets & KPIs
	Training & upskilling
	Stakeholder management and communications
	External partnerships and commitments
	Reporting and disclosures



ADCB Egypt's progress against ADCB Group's sustainability strategy

Material topic (Commitment)	ADCB Egypt 2022 performance	SDGs mapping	Egypt Vision 2030
<div><div> Strategic priority #1 – Climate</div><div>Ambition: Support the transition to a net-zero economy and manage climate change risks</div></div>			
Net zero operations	<div><div></div><div>ADCB Egypt conducted its second carbon footprint assessment for the year 2022 covering its head office building.</div></div> <div><div></div><div><div>Read more about the assessment results under Net zero operations</div><div>The Bank launched Convene Board Portal, and its implementation resulted in a significant reduction in paper consumption. This digital platform facilitates document sharing and communication and streamlining boardroom processes.</div><div>Read more about Convene under Digital and innovation</div></div></div>	<div></div> <div></div>	
	<div><div></div><div>Way forward: ADCB Egypt will continue to improve its environmental data management systems. This will enable an analysis of consumption trends, set and achieve resource efficiency targets and perform a wider GHG emissions assessment of ADCB Egypt's operations. The results of these assessments will be published in the upcoming reports.</div></div>		
	<div><div></div><div>ADCB Egypt will continue to engage with corporate and business banking customers on the needed data collection required to assess its operational emissions in accordance with international standards.</div></div>		
	<div><div></div><div>ADCB Egypt will continue to build employees' capacities for data collection, monitoring, and managing. Additionally, raise awareness on climate-related risks and opportunities, and climate reporting.</div></div>		
	<div><div></div><div>ADCB Egypt will explore setting science-based targets with ADCB Group and the 1.5°C scenario for both operational and financed emissions.</div></div>		
	<div><div></div><div>ADCB Egypt will abide by the Group's operational environmental policies to be set, including energy and water policies, and adhere to local ESG reporting requirements.</div></div>		
































ADCB Egypt's progress against ADCB Group's sustainability strategy

Material topic (Commitment)	ADCB Egypt 2022 performance	SDGs mapping	Egypt Vision 2030
Sustainable finance	<div><div></div><div>ADCB Egypt is financing various sectors per CBE's categorisation, abiding by CBE's Sustainable Finance Principles released in July 2021 and building internal capacities on its implementation.</div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div></div>
	<div><div></div><div>Accompanying customers in their transition to low-carbon operations and serving the national agenda by taking part in financing environmentally and socially sustainable projects.</div></div>		
	<div><div></div><div>Conducting capacity building and workshops to relevant internal and external stakeholders for supporting sustainable development projects.</div></div>		
	<div><div>Way forward:</div></div>		
	<div><div></div><div>ADCB Egypt will explore opportunities to launch green products and services targeting various sectors that will be categorised under ADCB Egypt's sustainable finance framework and ADCB Group's Green bond framework aligned with the CBE categorization.</div></div>		
	<div><div></div><div>ADCB Egypt will continue to build employees' capacities on principles and best practices of sustainable finance, particularly those in the wholesale banking group and the risk group.</div></div>		
	<div><div></div><div>ADCB Egypt will work to assist and build the capacities of corporate and business banking companies on climate-related issues to support their transition to low-carbon services and products.</div></div>		
	<div><div></div><div>As part of CBE's efforts in supporting low-cost capital for clean and renewable energy projects, and aligning with ADCB Group's green financing commitment, ADCB Egypt aims to allocate an amount of funding for financing green projects.</div></div>		



ADCB Egypt's progress against ADCB Group's sustainability strategy

Material topic (Commitment)	ADCB Egypt 2022 performance	SDGs mapping	Egypt Vision 2030
Environmental and social risk management	<div><div></div><p>ADCB Egypt is currently assessing environmental and social risks related to ADCB Egypt’s operational activities, and its lending practices (portfolio)⁽¹⁾ in order to develop the needed criteria in line with the ADCB Group’s ESRM policies.</p><p>Way forward:</p><div><div></div><p>ADCB Egypt will engage with both internal (employees and relevant departments) and external (corporate and business banking customers) stakeholders on E&S risks and build their capacities.</p><div><div></div><p>ADCB Egypt will abide by the Group’s ESRM policy and sectoral policies as applicable to national context and operations.</p></div></div></div>	<div><div>13</div><div>CLIMATE ACTION</div><div></div></div> <div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div> <div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div>	<div><div>0</div><div>الاستدامة البيئية</div><div></div></div>
Green procurement and supply chain	<div><div></div><p>Procurement criteria are currently being updated, and ADCB Egypt does not yet have a comprehensive understanding of the actual environmental impacts across the supply chain.</p><p>Way forward:</p><div><div></div><p>ADCB Egypt will update existing supplier assessments to follow the sustainable procurement plan that has been formulated by ADCB Group.</p><div><div></div><p>ADCB Egypt will engage with existing suppliers on the significance of shifting towards environmentally sustainable products and services. Wherever possible, all required assistance will also be provided to facilitate a more sustainable transition.</p><div><div></div><p>ADCB Egypt will build the capacities of its procurement team and existing suppliers on green procurement practices and significance.</p></div></div></div></div>	<div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div> <div><div>13</div><div>CLIMATE ACTION</div><div></div></div>	<div><div>0</div><div>الاستدامة البيئية</div><div></div></div>

(1) Environmental and social impacts arising from ADCB Egypt lending practices are assessed across the material topics with direct relevance only.



ADCB Egypt's progress against ADCB Group's sustainability strategy






Material topic (Commitment)	ADCB Egypt 2022 performance	SDGs mapping	Egypt Vision 2030
Strategic priority #2 – Customers and Communities Ambition: Provide inclusive and innovative financial services to drive sustainable economic growth			
Customer satisfaction	<div></div> <div>A comprehensive strategy was formulated and executed to meet the unique financial needs of various customer segments, including corporate banking, SMEs, financial institutions, and Global Transaction Banking (GTB) customers.</div>		
	<div></div> <div>ADCB Egypt's customer base, in terms of loans increased by 41% compared to 2021 and in terms of deposits, increased by 83% compared to 2021.</div>		
	<div><div></div><div>ADCB Egypt has launched several promotions and offers to increase its customer base and the assets and loans portfolio. The Bank also expanded its digital services and products to cater to customers' needs and implemented the following initiatives to enhance customer satisfaction.</div><div><ul style="list-style-type: none">Wholesale cash management section and trade solutions for corporate customersElevated the quality of service through better customer insight and feedback.</div></div>		
	<div><div></div><div>A pipeline is being implemented for improving customer satisfaction through implementing programs and initiatives related to:</div><div><ul style="list-style-type: none">Retention and complaint handling.Business excellence, including quality checks across branches, analysing customers' voices, and reviewing daily complaints' validation.Service level framework and customer measurement.</div></div>		
	<div><div></div><div>Way forward:</div><div><div></div><div>We plan to enhance our complaint management procedures and further improve customer protection.</div></div><div><div></div><div>ADCB Egypt intends to implement the following initiatives to enhance customer satisfaction</div><div><ul style="list-style-type: none">New customer onboarding platform.Reengineering business processes that improve service delivery level.</div></div><div><div></div><div>ADCB Egypt is working on launching a loyalty program.</div></div></div>		



ADCB Egypt's progress against ADCB Group's sustainability strategy

Material topic (Commitment)	ADCB Egypt 2022 performance	SDGs mapping	Egypt Vision 2030
Digital and innovation	<div><div></div><div>ADCB Egypt continues to develop new services and introduce further enhancements and features to existing services for a better customer experience. ADCB Egypt launched numerous digital services in 2021 that are still ongoing, including:<ul style="list-style-type: none">Mobile and internet banking services for both individuals and companies.Partnered with Temenos to upgrade the core banking system.</div></div>	<div></div> <div></div> <div></div>	<div></div>
	<div><div></div><div>Active digital users increased by 78% whereas retail mobile transactions grew by 22% in 2022, with 80% of retail banking transactions taking place digitally and 11% of wholesale transactions.</div></div>		
	<div><div></div><div>ADCB Egypt is continuously improving services, service design & strategy, IT security, service transition, information technology policies and standards, IT customer relationships handling procedures, and IT user access procedures.</div></div>		
	<div><div></div><div>Way forward: ADCB Egypt is working on developing its digital space through the following projects in the coming year, in accordance with its 2020-2023 Digital Strategy:<ul style="list-style-type: none">ADCB Egypt joined InstaPay platform in 2023.Cardless banking.WhatsApp banking.Portfolio management.Token self registration.Biometric login.Expired KYC notification.Sub account opening.Self I-Score.Digital on boarding.TRX dispute request.Bill payment.In 2023, the Bank will be working on sprint 2 and 3 of CRM including additional and enhanced features.</div></div>		
	<div><div></div><div>ADCB Egypt is working on abiding to the Group's comprehensive digital strategy and updating any relevant policies.</div></div>		

ADCB Egypt's progress against ADCB Group's sustainability strategy

Material topic (Commitment)	ADCB Egypt 2022 performance	SDGs mapping	Egypt Vision 2030
Financial inclusion and empowerment	<p> The Bank is abiding by the CBE's Financial Inclusion Strategy released in November 2022 and working on enhancements to the currently implemented actions.</p> <p> The following initiatives have been implemented:</p> <ul style="list-style-type: none">Starting 2021 the Bank attracted a new unbanked customer category with our prepaid Meeza cards and the mobile wallets.Complying on an ongoing basis with all CBE financial inclusion strategy requirements.Achieving a prominent position in serving PwDs, by maintaining significant improvement in access to banking products and services for PwDs.Listening session for PwD customers to identify their obstacles, challenges, and financial needsTraining employees on sign language (13 proficient employees) and producing documents in braille.Revising policies to ensure priority treatment.A total of 13 branches are currently equipped with wheelchair ramps as of 2022.Organized hackathons across local schools & universities.Launching Erada package in 2021, Erada Loan & Scholarship in 2022.Financial Inclusion & Literacy campaigns across schools, clubs, and universities. <p>Way forward:</p> <p> ADCB Egypt's objective is to become a leading Bank providing financial literacy and accessibility of the financial services and products that fit our customers with disabilities needs, in line with the CBE's financial inclusion requirements for PwDs.</p>		












ADCB Egypt's progress against ADCB Group's sustainability strategy

Material topic (Commitment)	ADCB Egypt 2022 performance	SDGs mapping	Egypt Vision 2030
Community investment	<div><div></div><div>The following initiatives with positive impacts have been implemented:<ul style="list-style-type: none">Signed a 3-year cooperation protocol in 2021 to provide EGP 10 million to “Ahl Masr” Hospital for Burns Treatment.Donated to several entities to support their causes such as Baheya, to Elsewdy foundation, and Misr El Kheir Foundation.Sponsored the differently-abled run, Carerha, and the education of 22 PwDs through El-Sewedy technical academy.</div></div>	<div><div>1 NO POVERTY</div><div>2 ZERO HUNGER</div><div>3 GOOD HEALTH AND WELL-BEING</div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div></div>	<div><div>1 جودة الحياة</div><div>2 عدالة والتضامن</div></div>
	<div><div></div><div>ADCB Egypt continues to work on abiding to national strategies and initiatives, and CBE's community empowerment initiatives.</div></div>		
	<div><div><div>Way forward:</div><div><div></div><div>ADCB Egypt was able to dedicate 1-1.5% of its profits for the support of the community in alignment with Egypt's Vision 2030.</div></div><div><div></div><div>ADCB Egypt will be developing a methodology and establishing criteria to measure the Social Return on Investment, related to community investments.</div></div></div></div>		



ADCB Egypt's progress against ADCB Group's sustainability strategy

Material topic (Commitment)	ADCB Egypt 2022 performance		SDGs mapping	Egypt Vision 2030
 Strategic priority #3 - Employees Ambition: Create a thriving workplace that attracts and retains the most talented and committed people			3,4,5,10	1,2,4
Employee engagement and wellbeing	                    	Performed an employee satisfaction survey with 94% reach level. Ensured that evacuation procedures are in place, and available on display across branches Communicated regularly among all ADCB Egypt employees in case of changes in procedures or plans. Introduced HITS & SAP electronic system to facilitate the communication between the employees. Introduced enhancements for employee life insurance, medical insurance, end of service savings plan, and improved personal loans and launching new loans. Way Forward: ADCB Egypt will develop and implement strategies in accordance with the local context in Egypt, and in line with ADCB Group, to become an employer of choice in ADCB Egypt sector.	   	
Learning and development	          	60,750 training hours were availed to ADCB Egypt staff, and 90% of staff received a performance and career development review. Learning Management System (LMS) has been implemented for all employees to access more than 1,400 e-Learning programs. Staff recognition program has been launched, focusing on service excellence. ADCB Academy continues to provide young fresh talents with hiring opportunities after getting trained. Subsequently, they are assigned to various functions within ADCB Egypt. Implementation of ADCB Egypt's leadership school to develop leadership skills across all of our leadership levels covering early management, middle management, and top management.	 <	

ADCB Egypt's progress against ADCB Group's sustainability strategy

Material topic (Commitment)	ADCB Egypt 2022 performance	SDGs mapping	Egypt Vision 2030
	<div><div></div><div>Provided training on implementing the Group's policies and code of business conduct for newcomers on a monthly basis.</div></div> <div><div></div><div>Way forward: ADCB's Learning and Development team has a full training plan based on the needs analysis, conducted across all Bank functions and groups. The training plan has three main pillars: technical professional banking, behavioural training, and mandatory training.</div></div>		
Equality, diversity and inclusion	<div><div></div><div>ADCB Egypt's workforce comprises 68% men employees and 32% women employees, with the gradual integration of PwD in the workforce. The highest portion of ADCB Egypt's employees is under 35 with 50%. Employees between 35 and 45 years represent 30% of all employees, and 20% above 45 years.</div></div> <div><div></div><div>A new female independent board member Joined on 28th of March 2022.</div></div> <div><div></div><div>Way forward: Achieving the national requirement of 5% employees with disability by 2025, by attracting them through improved facilities and policies.</div></div> <div><div></div><div>More women employees across the total workforce and the board.</div></div> <div><div></div><div>Join the Women Empowerment Program.</div></div>	<div></div> <div></div>	<div></div> <div></div>
<div></div> <div>Strategic priority #4 - Governance</div> <div>Ambition: Operate a responsible business with the highest ethical standards to preserve integrity and trust</div>		3,4,5,10	1,2,4
Corporate governance, compliance and code of conduct	<div><div></div><div>ADCB Egypt is providing a spectrum of certificates and degrees for employees based on their business areas. This includes Corporate Governance certifications for the Board of Directors. ADCB Egypt aims to enhance employee competencies, validate their skills, strengthen their loyalty and ultimately, improve the governance and controls across all functions.</div></div>	<div></div>	<div></div>



















ADCB Egypt's progress against ADCB Group's sustainability strategy

Material topic (Commitment)	ADCB Egypt 2022 performance	SDGs mapping	Egypt Vision 2030
	<div><div></div><div>Implementation of compliance policies training across all departments for over 1,000 employees.</div></div> <div><div></div><div>A new corporate governance system – “Convene” - serving as central repository where all board and committees packs are converted to softcopies instead of papers.</div></div> <div><div></div><div>The conduct risk framework has been updated in 2022 to align with Group compliance framework and incorporate more controls for efficient implementation.</div></div> <div><div></div><div>Sustainability committee has been formed and held its first meeting in 2022.</div></div> <div><div></div><div>Way forward: ADCB Egypt will develop a strong technological infrastructure to enhance business automation while implementing the best governance and controls practices.</div></div> <div><div></div><div>ADCB Egypt will form a Compliance Committee to Manage emerging Compliance and Financial Crime Risks.</div></div>		
Financial crime, anti-bribery and corruption	<div><div></div><div>Revised and updated compliance-related policies such as the AML/CFT policy & due diligence procedures.</div></div> <div><div></div><div>Way forward: ADCB Egypt will enhance its anti-crime systems and further build our employees' capacities across all branches.</div></div> <div><div></div><div>ADCB Egypt will elevate its compliance-related policies for trade finance transactions and digital services monitoring, and will continue to augment our employee capacity across all sectors.</div></div>		



ADCB Egypt's progress against ADCB Group's sustainability strategy

Material topic (Commitment)	ADCB Egypt 2022 performance	SDGs mapping	Egypt Vision 2030
Risk management and cybersecurity	<div><div> ADCB Egypt has launched several strategic initiatives to strengthen fraud risk mitigation.</div><div> In collaboration with SAS, we introduced Egypt's first AI-powered fraud detection solution for real-time prevention.</div><div> We've developed Security Awareness content to educate staff on evading phishing campaigns and deployed the Governance Risk & Compliance Tool for automating information security risk management.</div><div> We've implemented the Anti-DDOS Solution to protect ADCB Egypt's digital services, installed the Firewall Monitoring & Auditing solution (FireMon), and conducted extensive penetration tests across our digital services.</div><div> A third-party risk assessment was completed and a risk mitigation plan developed.</div><div> We also facilitated an Information Security Awareness (SANS) online training program for all employees.</div><div> We successfully deployed a security solution for enhanced monitoring, detection, and response (EDR) Security Orchestration, Automation, and Response (SOAR), further fortifying our governance and controls.</div><div><div>Way forward:</div><div> ADCB Egypt will enhance and integrate ESG and sustainability-related financial issues within the current risk management systems and maintaining reliable tools and metrics.</div></div></div>	<div></div>	<div><div><div>الحكومة والتعاون والسلام</div></div></div>
Tax transparency	<div><div> Completed the Annual FATCA reporting related to the internal revenue system.</div><div><div>Way forward:</div><div> ADCB Egypt will enhance and develop ADCB Egypt's tax strategy in line with ADCB Group, and work on balancing tax compliance with business activities and ethical, societal, and sustainable development related expectations.</div></div></div>	<div><div></div></div>	<div><div><div>اقتصاد قوي الحكومة</div></div></div>



Climate

ADCB Egypt strives to manage its environmental impact and support the transition to a climate-resilient world. It aims to support the supply and demand of low-carbon services and products, facilitate environmental projects, and align its work with sustainable finance principles. ADCB Egypt also integrates social and environmental risk management into its operations and lending portfolio, aiming to reduce adverse impacts and make sustainable financial decisions. The Bank aims to minimize its own environmental footprint and transition to renewable resources.



Why it matters

The world is facing a climate emergency and we recognise banking has a key role to play in helping people and businesses cut emissions.

Our ambition

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

Our commitments

- > Facilitating environmental projects and supporting the supply and demand of low-carbon products and services.

UN SDGs



Egypt Vision 2030



Sustainable finance

Why it matters

ADCB Egypt aligns its work with the CBE's Sustainable Finance principles, requirements, and initiatives. As part of this support, it helps corporations and SMEs transition to a low-carbon economy.

Sustainable finance allows ADCB Egypt to facilitate transitions within the financial system and among its clients while reducing the negative effects of finance.

Sustainable finance benefits



Our approach and progress

ADCB Egypt launched sustainability committee and ESG sustainability and a sustainable finance department will be formed.

Execution plan

First

Establishing and developing information systems for sustainable financing to as be ready for upcoming necessary reports

Second

Starting a gap study to identify future steps to implement sustainable financing.

Third

Measure the impact of applying the mentioned principles on our current portfolio and its impact on ADCB Egypt's performance

EGP 4,358 MN

ADCB Egypt's sustainable finance portfolio in 2022

By adapting its products and services to the needs of its customers, ADCB Egypt aims to extend more help to its customers in order to adopt sustainable business models through resource conservation, energy efficiency, and other sustainable measures and better understand the available benefits and opportunities. Additionally, ADCB Egypt's planned approach focuses on empowering rather than excluding clients, helping them develop realistic and ambitious roadmaps for aligning with a sustainable future that allows everyone to do better, especially in carbon-intensive and highly polluting environments.

ADCB Egypt is reinforcing its Sustainability Governance Framework to intensify the executive management's control over crucial ESG risks and opportunities. On the Group level the Sustainability Committee, led by the Group level CFO, oversees all sustainability initiatives, aligns them with the bank's ambitions, and assesses sustainable project proposals. The Management Executive Committee, as part of the ESG management structure, supervises the strategy execution and reports to the Board of Directors. ADCB Egypt is committed to enhancing its Sustainability Governance Framework to further empower executive management in navigating crucial ESG risks and opportunities. Central to this framework is the Sustainability Committee, which is tasked with overseeing all matters pertaining to sustainability and sustainable finance. Led by the CEO & Managing Director, this Committee plays a vital role in supervising the sustainable finance operations, indicating a focused and dedicated team for sustainable finance.

Moreover, a Sustainability Committee headed by the CEO & Managing Director overlooks all ESG related matters including sustainable finance. A dedicated Sustainable Finance unit has been created at the time of the launch

of the report to grow the Bank's E&S portfolio, while the ESG department will continue to assume its central role in the integration of the sustainability principles across the Bank's strategy and operations.

This robust governance structure underscores ADCB Egypt's unyielding commitment to sustainability, marking it as a critical element of our strategic vision and operational framework.

ADCB Egypt, in alignment with the strategic direction of ADCB Group and the directives of the CBE, has instituted a robust department dedicated to sustainable finance. Guided by national CBE regulations and the bank's commitment to sustainability, ADCB Egypt has developed an all-encompassing Sustainable Finance plan that prioritizes environmental and societal considerations.

The plan targets diverse areas from clean and renewable energy initiatives to small to medium-sized enterprises, fostering a comprehensive approach to sustainable development. It embodies the spirit of various CBE initiatives across sectors such as SMEs, industrial, agricultural, tourism, and construction, along with real estate finance, dual fuel operation for vehicles, and gas stations.

The Sustainable Finance plan is designed to offer innovative financial solutions that enhance profitability, reduce non-performing loans, and protect the portfolio quality. This approach aligns with ADCB Group's and CBE's directives and contributes significantly to community development and environmental conservation, while mitigating environmental and societal risks.

ADCB Egypt has also provided a Sustainable Finance

Sustainable finance

business unit to encourage companies to implement sustainable practices. This unit supports a multitude of sustainability-focused initiatives, ranging from renewable energy and waste and water efficiency to pollution prevention and control. To incentivize sustainable practices, ADCB Egypt is developing a new facility structure under the Fast Track Program with special pricing rates.






In 2023, ADCB Egypt will be launching a series of Green specialized products for various sectors, including solar energy, recycling, electric vehicles, education, and innovative farming practices like aquaponics and hydroponics. These initiatives underscore the bank's commitment to promoting sustainability and green initiatives across multiple sectors of the economy.

In conclusion, the Sustainable Finance plan developed by ADCB Egypt is a comprehensive strategy that not only aligns with national directives and regulations but also promotes a sustainable future. It's a testament to the bank's commitment to fostering sustainable development and illustrates the breadth and depth of its approach to integrating sustainability into its operational and financial practices.




As of December 2022, ADCB Egypt has financed a broad range of projects aimed at sustainable finance, including climate-related projects, social development projects, and resources for the development of the national economy. ADCB Egypt's total portfolio reached EGP 29 BN, which includes various aspects, the sustainable finance portfolio has reached EGP 4.35 BN.

ADCB Group Green Bond framework is limited to green financing categories and does not include social projects. ADCB Egypt's green finance (environmental) projects are mapped against ADCB Group's green eligibility criteria as specified in the [Green Bond Framework](#).

Environmental-related projects

ADCB Egypt's environmental projects categorisation	Description of the projects		Amount (EGP MN)
Renewable energy		Renewable energy, and energy efficiency	121.6
Sustainable water and wastewater treatment		Supply of electricity, gas, and water	430
Environmentally sustainable management of natural resources and land		Agriculture, forestry and deforesting, climate change adaptation, green products, and materials waste management	687
Clean transport		Transportation, storage, and pollution prevention and control	261.1
Sustainable infrastructure		Sustainable infrastructure and green buildings	2,319.4
Total (EGP MN)			3,819.1

Social-related projects

ADCB Egypt's social projects categorisation	Description of the projects		Amount (EGP MN)
Healthcare			
Education		Development in social, administrative and education sectors such as universities, schools, and institutes	403.8
Infrastructure projects			
Loans to SMEs, microfinance and entrepreneur clients		Loans to SMEs, microfinance and entrepreneur clients with an emphasis on employment creation or employment retention in specific economically underperforming regions. Loans to female led SMEs and female entrepreneur clients	95
Digitalisation, communications and information technologies		Financial technologies and communication projects and infrastructure	40.1
Total (EGP MN)			538.9

Sustainable finance

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. The Bank will also work to assist and develop the capacity of corporate and Business Banking companies on climate-related issues to support their transition to support their transition with low-carbon services and products.

ADCB Group's ESG Strategy positions sustainable finance as a significant value-creation opportunity within new markets. To comply with CBE mandates and Group to position ESG as a value creation opportunity within new markets, ADCB Egypt has launched at the time of the report the Sustainable Finance unit. In addition a number of green products are in development to fulfill the market needs and accompany its customers in their transition towards a green economy.

ADCB Egypt aims to support its decarbonisation journey and energy transition plans by actively engaging with clients in carbon-intensive sectors. By strategically seizing opportunities, the Bank can develop sustainably.

Additionally, different banking divisions focus on green projects within their scope, including renewables and smart energy management. The Bank is committed to providing comprehensive support for the operational and growth needs of the SME sector and all its customer segments while supporting and promoting their sustainable practices.



Environmental and social risk management

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

Why it matters

The Bank is guided by a preventative and precautionary logic that seeks to minimise adverse impacts rather than cope with their effects. ADCB Egypt has the capability to make sustainable financial decisions that are not damaging society or the environment by using rigorous and extensive ESG criteria.

When it comes to financial risk management and addressing arising legal and compliance issues related to ESG reporting, integrated management of environmental and social risks within the Bank's operations and its lending portfolio has been considered to be of major significance to define the principles for the identification, measurement, monitoring and reporting of E&S risks.

E&S risk management is being incorporated into the broader risk management framework and practices of ADCB Egypt, and sustainability risks have now been integrated as a principal risk category by ADCB Group.









Our approach and progress

As part of ADCB Egypt's commitment to responsible lending and robust due diligence, the Bank is at the time of the report issuance in the process of integrating environmental and social risk management policy (ESRM) within the credit and risk due diligence approval process to define the principles for the identification, measurement, monitoring and reporting of E&S risks that aligns with the newly adopted ESRM Policy and Scorecard (ESRM Framework) of ADCB Group.

The Bank is working on the assessment of all project proposals for factors that may negatively impact the environment and communities and carry out enhanced due diligence in sectors with significant negative environmental impacts. The current lending practices are considered low-risk, as the exposure to sensitive sectors is limited.

Our portfolio exposure across different sectors

ADCB Egypt portfolio exposure as of 31 December 2022 (%)

Sector		Amount (EGP)	%
	Manufacturing	8,806,132,312.29	28.04%
	Retail	7,941,223,402.66	25.29%
	Constructions	4,093,144,802.49	13.03%
	Trade	3,701,508,502.94	11.79%
	Finance	3,059,471,381.99	9.74%
	Service	2,203,657,204.69	7.02%
	Energy	1,124,480,667.08	3.58%
	Agriculture	474,766,065.67	1.51%
Total		31,404,384,339.81	100.00%

Environmental and social risk management

Governance

ADCB Egypt operates as a subsidiary of the ADCB Group and aligns with the Group's comprehensive Environmental and Social Risk Management (ESRM) framework. This framework involves the active participation of key committees and groups, including the Group Board Risk Committee (BRC), the Group Risk Management Committee (RMC), the Group Sustainability Committee (GSC), and the Environmental and Social Risk Management (ESRM) Working Group. By adhering to the Group's policies and practices, ADCB Egypt ensures a consistent approach to managing E&S risks across the organisation.

The Risk Management Committee (RMC) is responsible for endorsing the Group's ESRM Policy, including E&S risk appetite prior to approval by BRC. The committee is responsible for approving E&S risk assessment methodology, models, and frameworks. The committee also approves E&S scenario analysis and stress testing results and E&S risk as part of ICAAP. The Group Sustainability Committee (GSC) manages the sustainability strategy, and works in close coordination with the Risk Management Committee to receive updates on E&S risks and opportunities (incl. physical and transition climate risks) impacting the Bank's business resilience and long-term value creation. The GSC is responsible for overseeing and receiving updates from the ESRM Working Group. This collaborative effort between the GSC and RMC enables ADCB Egypt to enhance its business resilience and create long-term value while addressing E&S concerns.

ADCB Egypt fully embraces the responsibilities outlined in the ESRM Policy, as well as those assigned to entities within the ADCB Group, such as Risk and Sustainability teams and it also involves Credit, Corporate & Investment Banking, Private Banking and Wealth Management. ADCB Group is responsible for implementing the ESRM framework (policies, procedures, operating guidelines etc.), climate stress testing and scenario analysis, materiality assessment, and developing the Bank's approach to net zero and financed emissions across the Group, including subsidiaries. By providing trainings to employees, ADCB Egypt works towards enhancing their awareness and understanding of E&S issues, enabling them to contribute to the Bank's ESRM objectives effectively.

ADCB Egypt's alignment with the ADCB Group's ESRM framework supports its commitment to integrating E&S considerations into decision-making, business strategy, and financial planning. ADCB Egypt conducts assessments of E&S risks and opportunities, considering their short, medium, and long-term impacts. By setting E&S risk appetite indicators, which encompass qualitative and quantitative criteria, ADCB Egypt works towards aligning its strategic plans with the Group's overall risk appetite. Regular review and monitoring by the BRC further enhance the Bank's ability to proactively manage E&S risks, contributing to the goal of having long-term sustainability of ADCB Egypt within the broader ADCB Group.

Risk identification

E&S risks are potential exposure to adverse financial and non-financial impacts from environmental and social factors on the ADCB Egypt internal business operations and counterparties from social and environmental perspectives.

ADCB Egypt abides with the ESRM Policy which primarily aims to identify, assess, and manage the indirect E&S risks emanating from counterparties.

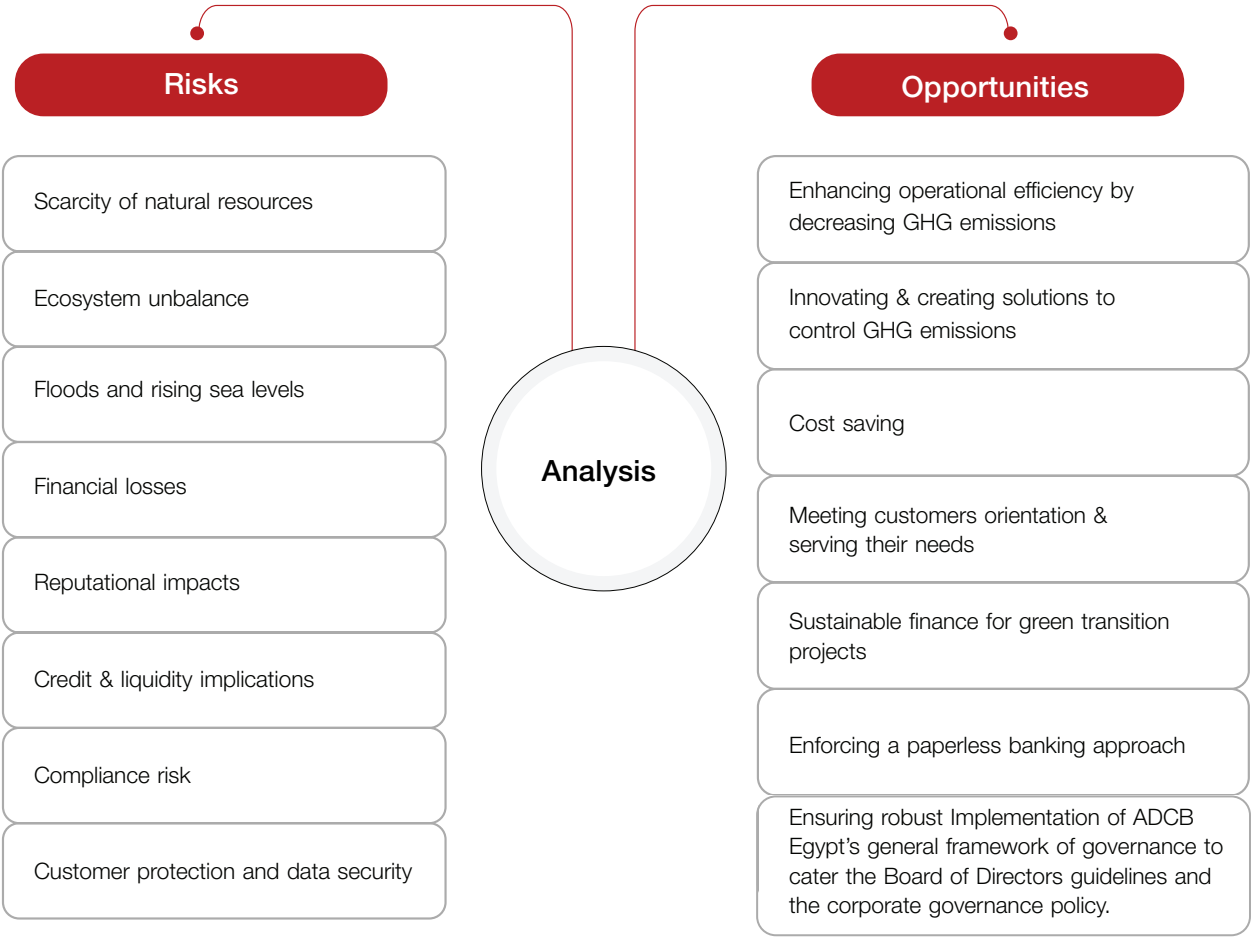
Environmental and social risks

Environmental risks refer to any negative impact on the Bank's premises, reputation, and credit exposures to counterparties that may potentially contribute to or be affected by climate change and other forms of environmental degradation (such as air pollution, water pollution, scarcity of freshwater, land contamination, biodiversity loss, and deforestation). While Social risks refer to the potential negative impact on ADCB Egypt's business activities and reputation resulting from its financing activities with counterparties, specifically arising from social factors, such as violation of human rights, unfair labour practices, unsafe working conditions, and mishandling of customer privacy. For example, the risk of default and/or financial loss by the exposure to counterparties exposed to potential fines and reputational damage due to fatalities and incidents in the workplace.



Environmental and social risk management

Listed below are some potential environmental and social risks and opportunities:



Future outlook

ADCB Egypt aims to comprehensively manage environmental and social risks across its lending portfolio based on, 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 sectoral policies applicable to the national context and operations in Egypt.



Net zero operations

Net zero operations

As a leading financial institution in the United Arab Emirates, ADCB Group recognises the urgent need to address the impact of climate change on the economy and society. The Bank is committed to playing a proactive role in managing climate risks and promoting sustainable development, both through its own operations and by supporting its clients in the transition to a low-carbon economy. In line with the Group's direction, ADCB Egypt recognises that climate change poses significant challenges and opportunities for the financial sector and is taking steps to integrate climate considerations into its business strategy, product offerings, and risk management practices. By prioritising sustainability and promoting responsible business practices, ADCB Group is helping to build a more resilient and sustainable future for its customers and the wider community.

Why it matters

ADCB Egypt recognises the urgent need to address the impact of climate change on the economy and society. It is committed to playing an active role in managing climate risks and promoting sustainable development. ADCB Egypt has developed a sustainability strategy that includes reducing its environmental footprint by transitioning to renewable resources, implementing resource efficiency measures, promoting greener buildings, and fostering a corporate culture that values sustainability. ADCB Egypt is dedicated to monitoring its resource consumption and reducing its environmental impact throughout its branches, offices, and data centres.

Our approach and progress

ADCB Egypt is currently in the process of developing an environmental data collection system that will gather data related to environmental topics, such as the consumption of water, energy, fuel, other materials, and the waste generated across all of its organisational boundaries (including all branches and offices).

This system will provide a more comprehensive understanding of the Bank's environmental impact and enable monitoring resource consumption trends

By implementing this system, the Bank will be better equipped to identify areas for improvement and set targets for reducing its environmental impact, ultimately contributing to a more sustainable and low-carbon future.

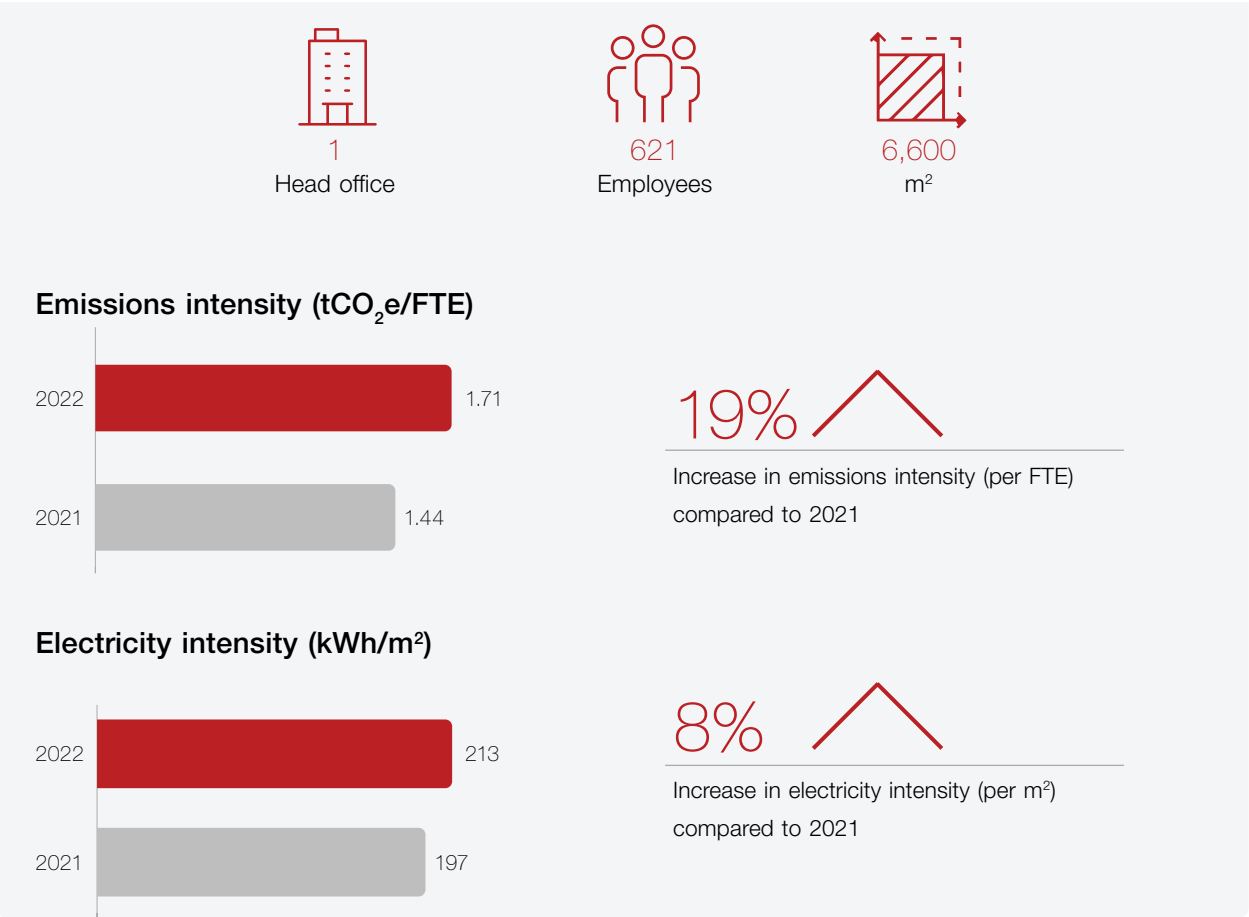
Methodology and boundaries

ADCB Egypt has defined its organisational boundary as the businesses and operations that make up the company. For the current reporting period, the organisational boundary includes the head office building in Al-Mohandessin, Giza, Egypt, which has a gross floor area of 6,600 m² and employs 621 people.

ADCB Egypt has conducted its second carbon footprint assessment, during which all emissions were compared to the base year 2021. The operational boundaries include activities that lead to emissions, whether they are direct or indirect. These include direct GHG emissions (Scope 1), indirect GHG emissions from the consumption of purchased electricity (Scope 2), and indirect GHG emissions from other activities (Scope 3).

To calculate the carbon footprint, ADCB Egypt followed established protocols and standards, including The Greenhouse Gas Protocol Guidelines, the 2006 Inter-

governmental Panel on Climate Change (IPCC) Guidelines for Greenhouse Gas Inventories (with 2019 Refinements), and the ISO 14064-1:2018 Standards.



Net zero operations

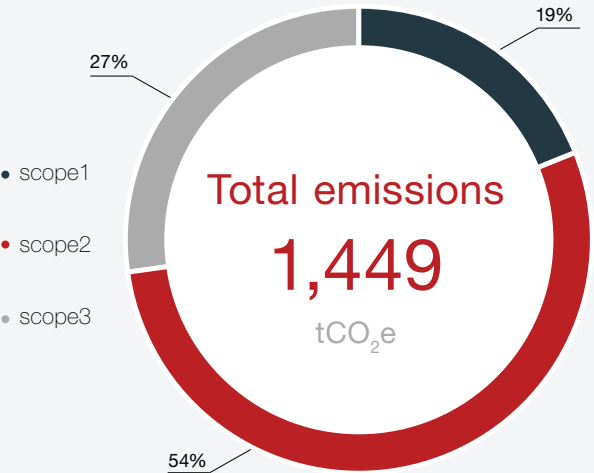
GHG emissions, electricity intensity

ADCB Egypt has conducted its second carbon emissions assessment for its headquarters, including scope 1, 2, and 3 activities. However, the Bank plans to expand the scope and boundaries of its assessment in the coming years to include all activities occurring in its branches. This will provide a more comprehensive understanding of the Bank's carbon footprint and help identify areas for improvement. In this year's assessment, the Bank observed an increase in emissions intensity compared to the base year of 2021. The primary driver to this increase is the higher electricity consumption recorded in 2022 when compared to the previous year. This highlights the need for the Bank to accelerate its efforts to reduce carbon emissions and transition to a low-carbon economy. To address this increase, the Bank will prioritize the adoption of more electricity efficiency measures as a critical step towards reducing its consumption and emissions. By implementing these measures, the Bank aims to increase its operational efficiency, while also contributing to a more sustainable future. By prioritising sustainability and taking action to reduce its environmental impact, ADCB Egypt is contributing to a more sustainable future for its customers and the wider community.

The activities included under each scope are as follows:

- Scope 1 includes the emissions from natural gas consumption in the head office operations, and emissions from fuel consumption in the Bank's owned cars and emergency generators.
- Scope 2 includes emissions associated with electricity consumption in the Head Office.
- Scope 3 includes emissions associated with employees' business travel by road and air.

GHG emissions 2022



ADCB Egypt's emissions results

Activity	Activity data	Emissions (tCO ₂ e)	
Scope 1: Mobile combustion	13,531 (litres petrol)	31.5	283
Scope 1: Stationary combustion – NG	124,276 (m³ NG)	251	
Scope 1: Stationary combustion – Diesel	200 (litres Diesel)	0.54	
Scope 2: Electricity	1,406,602 (kWh)	779	779
Scope 1 and 2 GHG intensity	1.71 tCO ₂ e/FTE		
Scope 3: Business Travel (by land)	1,237,534 (km)	369.4	387
Scope 3: Business Travel (by Air)		17.3	
Total emissions	1,449 tCO ₂ e		

Net zero operations

Energy

ADCB Egypt's energy consumption in 2022 involved electricity usage as the primary source of energy, diesel fuel to power emergency generators, natural gas for heating, and fuel in owned vehicles. These activities resulted in a total energy consumption of 10,339 GJ at the head office. The Bank is actively working to reduce its energy consumption by replacing fluorescent lamps with LED ones across all its branches and offices. Moreover, the head office has a building management system (BMS) installed to monitor and control indoor AC systems, pumps, and chillers operations.

Water

ADCB Egypt's branches use municipal water for drinking and sanitary purposes. Since these branches are located in residential areas, the water bills are usually consolidated across all building users. In 2022, the Bank installed water meters for some branches and is currently working on installing them for the remaining ones. To further reduce water consumption, ADCB Egypt equipped all its branches with water-efficient faucets and installed a wastewater recycling system in the head office building. The head office building consumed a total of 12.1 mega litres of municipal water in 2022.

Waste

ADCB Egypt operations produce different types of waste, including general office waste, shredded paper, and electronic waste, which are sold at the end of their lifecycle to be recovered for raw materials or reused when feasible. Currently, the Bank does not segregate or track the amount of general office waste. However, ADCB Egypt is working on developing a corporate-wide waste management policy and plan that will establish suitable methods for segregating, storing, collecting, and disposing of waste across all of its branches

Paper

Paper consumption constitutes a significant portion of the materials used across ADCB Egypt's forty-nine branches. ADCB Egypt's head office consumed 9.9 tons of paper in 2022, signifying an increase from the amount consumed in 2021. We aim to decrease our consumption with the aid of the Bank's ambitious digitisation strategy, which aims to minimise its reliance on paper in all business operations.

Cards

A substantial amount of the Bank's material consumption comes from Bank cards. In 2022, the Bank produced and issued 21,387 banking cards. However, the Bank will consider enhancing its cards' environmental footprint recycling programs and exploring the use of bio-composites as a PVC alternative.

Future outlook

ADCB Egypt focuses on key sustainability initiatives, including reducing water consumption by installing water meters, prioritising water-efficient faucets, and optimising the wastewater recycling system. The Bank aims to develop a waste management policy and implement comprehensive waste segregation and tracking practices. Embracing digitisation will continue to reduce paper consumption, and sustainable card programs will be established, promoting recycling and exploring eco-friendly materials. Expansion of environmental data collection, broader carbon footprint assessments, and energy efficiency measures are planned to enhance resource efficiency and reduce environmental impact.

Energy intensity (GJ/m²)

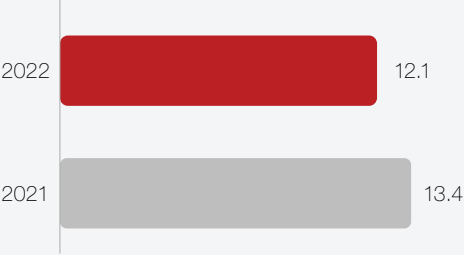


3%

▲

Increase in energy Intensity (per m²) compared to 2021

Water consumption in the office (m³)

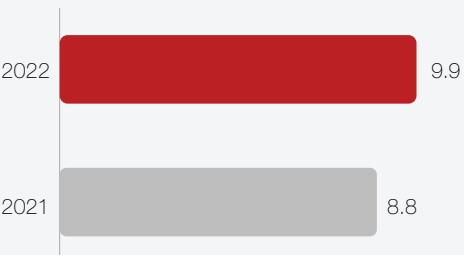


10%

▼

Decrease in water consumption compared to 2021

Paper consumption in the head office (tons)



13%

▲

Increase in paper consumption compared to 2021

Green procurement and supply chain

Why it matters

A sustainable supply chain is closely linked to reducing GHG emissions, cutting solid waste, and optimising 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

ESG has become the heart of ADCB Egypt's business model, and the Bank has started incorporating this fundamental concept into vendor interactions. ADCB Group formulated and implemented a sustainable procurement plan across its subsidiaries in 2022, marking a step in its sustainability journey.



Sustainable procurement plan - 2023 and beyond

Our plans to enhance sustainable procurement practices include the following:



Identify material procurement activities



Identify percentage of local SMEs in ADCB's total vendor pool



Update the vendor questionnaire to integrate ESG elements



Communicate with all existing vendors ADCB's intended changes



Integrate ESG criteria into vendor assessment



Review and update Procurement Policy with principles of sustainable sourcing



Integration within ADCB's procurement system and roll out



Integrate ESG elements into commercial/technical evaluation during the RFP process



Communicate to all staff on implemented changes



Embed sustainable sourcing principles in ADCB's existing and future catalogue items

Green procurement and supply chain

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 dedication & commitment also promotes education and raises environmental ambition, making sustainability a clear competitive advantage and a requirement for any company that wants to be successful in the long run.

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.

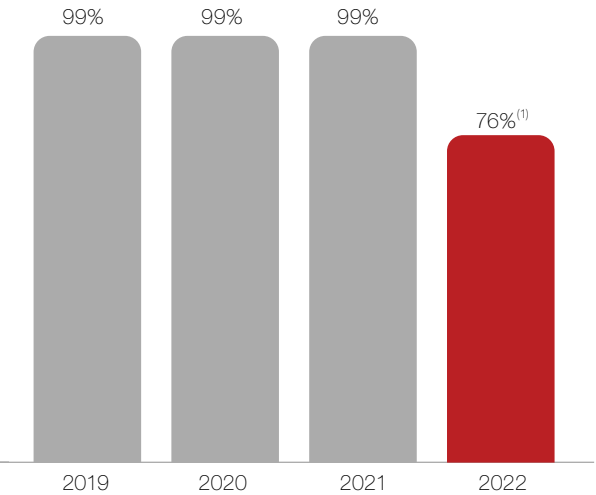
ADCB Egypt's supply chain is labour intensive and the Bank's suppliers include wholesalers, consultants, hotels, travel agencies, IT services, collection & investigation agencies, utility services, training agencies, and contractors. Those suppliers offer a diverse range of products & services that include and are not limited to cleaning, importing, installation, consultancy, maintenance financial services, F&B, and security services.

A sustainable green supply chain is linked to ADCB Egypt's strategy of establishing sustainability throughout its business operations. With a total number of 322 suppliers in 2022, ADCB Egypt has a goal of localising its supply chain, with 66% being local suppliers in 2022 compared to 99% in 2021. The decrease of local suppliers in 2022 was due to the financial crisis that faced Egypt and the backdrop of the availability of the materials within the Egyptian market. The expenditures through local suppliers in 2022 was also lower due to rebranding related expenses in the previous years.

Future outlook

ADCB Egypt will keep updating its current tier-one supplier assessments to incorporate environmental-related parameters while taking into account the importance of their weights in the overall scoring. The Bank will also look into ways to educate our current suppliers on the value of switching to environmentally friendly goods and services and, when possible, provide the help required to make the change more sustainable. This could be achieved by building the capacity of the Bank's procurement department and existing suppliers on green procurement practices. The Bank aims to re-localise the supply chain to enhance the sustainability operations while contributing to just, green, and resilient local economies.

Percentage of procurement budget spent on local suppliers



(1) Spent on local suppliers in ADCB Egypt in 2022 was lower when compared to previous years due to rebranding related expenses in the previous years



Customers and communities

ADCB Egypt values its clients and strives to be a trustworthy financial partner by offering a wide variety of exceptional services and prioritising customer satisfaction for all segments. The Bank aims to invest back into the communities where it operates, aiming to improve their quality of life. ADCB Egypt's mission is to provide innovative and inclusive financial services that contribute to sustainable economic growth. The Bank's community responsibility focuses on three key areas: women empowerment, social inclusion, and enabling people with disabilities.



Why it matters

Recognising the crucial role of customers and community in impacting the product, reputation, and strategic development of the Bank is the cornerstone of ADCB Egypt. ADCB Egypt aims to become a favoured Bank and a reliable partner for all who choose to depend on it, thanks to a loyal customer base. Considering the great growth the Bank owes back to its clients, ADCB Egypt invests back into the communities where it operates. Fostering the growth of stronger and more capable communities generates a positive loop that offers the Bank the chance to develop into a leading institution.

Our ambition

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

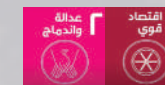
Our commitments

- > Social inclusion, women empowerment, and enabling people with disabilities.
- > Bringing more accessibility and technological innovations to help better the lives and financial futures of clients.

UN SDGs



Egypt Vision 2030



Customer satisfaction

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

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.

Our approach and progress

ADCB Egypt is focused on providing its customers with transparent, straightforward, and actionable advice so they can make the most informed and best possible financial decisions. The Bank’s products and services suite is designed to cover the absolute majority of customer needs effectively and seamlessly.

The Bank also collects and addresses customer feedback through our call center, online help services, customer service representatives, the Bank’s website, branches, social media platforms, and 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.

ADCB Egypt is working on accelerating digital conversion and onboarding, supporting customer acquisition activities, and diversifying its client base to help reach 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.

1,664

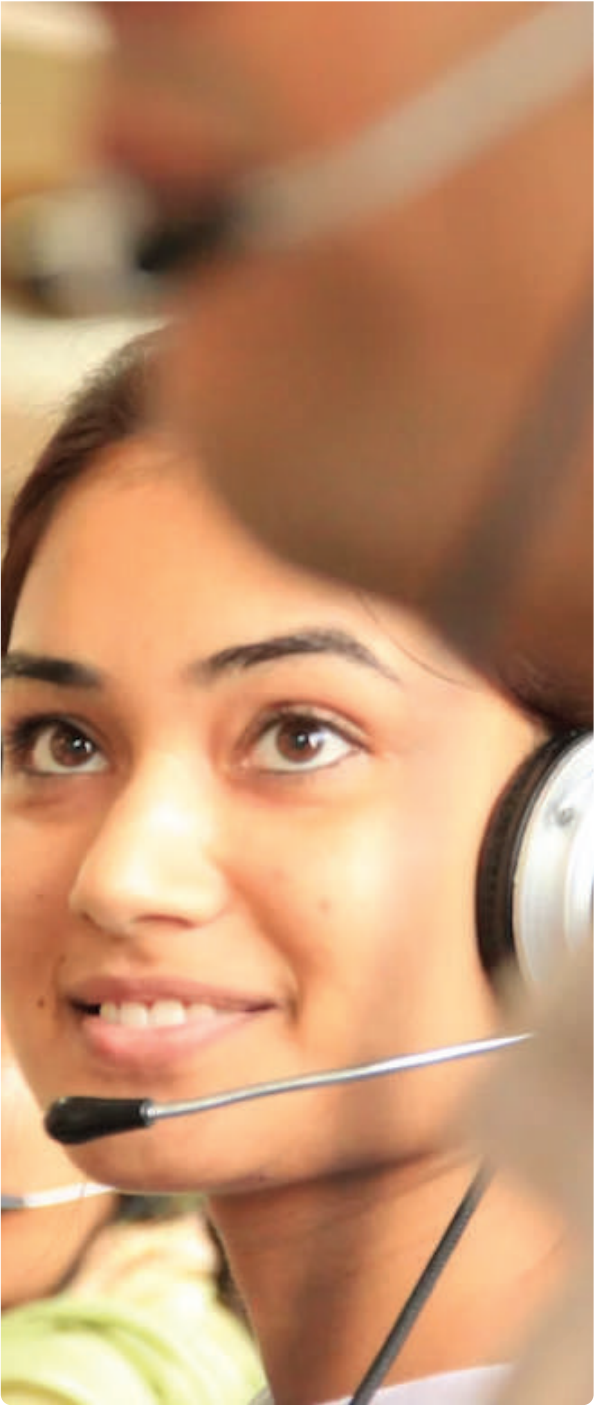
Total customer complaints recorded in 2022

Customer engagement

ACDB Egypt has been investing in its online channels for the past four years in order to provide easily accessible and convenient information. We have made significant investments in artificial intelligence and advanced data analytics to improve customer engagement and personalization, which will enable us to establish stronger connections with our customers. This investment will offer us numerous advantages, including real-time customer behavior insights and a better understanding of evolving requirements.

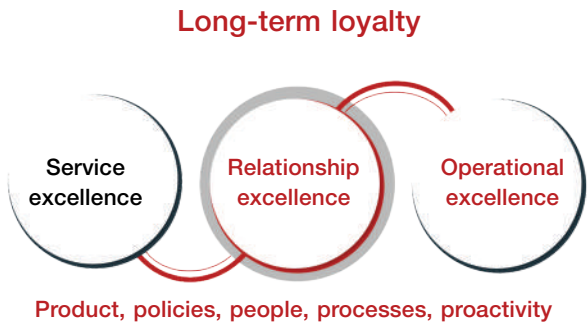
Advancing customer excellence

In 2022, ADCB Egypt’s Total Quality Management Department was transformed into a Customer Excellence Department. The department’s mission is to play a crucial role in creating a unique selling proposition through long-term relationship management and loyalty. The department aims to increase customer satisfaction, enhance the brand’s reputation, prevent customer churn, prompt positive word-of-mouth referrals, and honour ADCB Group’s commitment for customer excellence.



Customer satisfaction

Our Vision



Before a customer registers a Bank account or applies for a loan, ADCB Egypt strives to offer everyone an experience that goes above and beyond expectations. The Bank's services are continually improved with a focus on great quality, reliable connections, and genuine customer care.

The Customer Excellence department's responsibilities are divided into two categories:



To achieve the department's ambition of becoming a model in relationship excellence, the department uses a responsibility assignment matrix and groundwork steps to identify areas that require attention, such as improving data quality, enhancing quality assurance, and simplifying processes and policies.

Complaints mitigation

In 2022, the department started various initiatives to assess workplace ambience, staff representation, customer interaction, and quality awareness. Accordingly, complaints raised were weighed in appraisals, handover templates were constructed, and a monitoring & evaluation committee was launched for branches. The Customer Excellence department is based on a customer-centric approach. It provides continuous coaching and mentoring to staff, emphasising operational excellence to serve the customer's needs, and exploring banking best practices for process re-engineering.

The main findings from the groundwork conducted by the department include data quality and collection, staff skills, card delivery and activation, quality, process and policies simplification, and interdepartmental communication. The department also identified that customer complaints due to staff skills accounted for 20%, while customer complaints due to Bank policies accounted for 18%.

Complaint management

ADCB Group has built a reputation for service excellence through every perception, from digital platforms to the contact center, branch staff, and teams of relationship managers providing personal connection rapidly whenever it is needed.

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 ensure service quality, customer retention, and loyalty, with a target of successfully closing 90% of complaints. The CCT is also guided by the CBE's regulations and regulatory compliance policies with an oversight from the Customer Rights Protection unit that presents Customer rights protection reports periodically to the Board Audit Committee.

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 center, branches, and social media platforms, or directly through the CBE's Customer Rights Protection Unit. The Bank also considers any complaints received via any other unconventional channel.

Complaints are handled according to the Bank's Complaint Management Procedure and SLA. As a result, handling complaints may take 5 to 15 working days per the CBE instructions. Communication with customers are done through recorded calls or SMS to provide feedback.

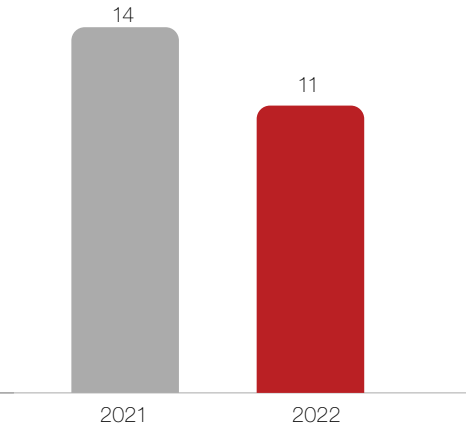
Leveraging and uniqueness

The strategic direction of the department aims to further expand the Service Excellence culture across the ongoing monitoring and evaluation operations. This will be achieved through various channels, including and not limited to enhancing branches' quality, comprehensive complaints analysis, service quality assurance, refining Standard Operation Procedures (SOPs) & Service Level Agreements (SLAs), Customer Excellence (CX), following the groups best practices, and conducting the CX summit where best practices and lessons learned would be shared.

Customer satisfaction

In 2022, the total number of complaints received was **1,664**. In addition, 90% of call center calls were answered within 20 seconds, surpassing the actual target of **80%**. The quality of calls also met the **90%** target. The total received call center calls was **173,075**, the total answered customer emails was **6,208**, and the total responded to chats was **7,050**.

Customer complaints per 1000 customers



Ethical banking

The Bank's approach to prosperity goes beyond understanding it in terms of impact, responsibility, and purpose. Through the rigorous application of the ethical banking foundation and the Bank seeks to offer a transparent and convenient banking experience aiming to provide the sound financial advice and help customers achieve their life ambition. We aim to facilitate the transition to a green and circular economy.

ADCB continuously reviews all documentation to ensure transparency and clarity on all products and services so that customers can easily access and understand the appropriate terms and conditions before making well-informed decisions. Customers are provided with key fact statements in which key product features, charges, and alerts are highlighted.

ADCB Egypt assists clients in making well-informed borrowing decisions while considering their capacity for debt management and repayment. The Bank's internal credit product policies and frameworks guide our approach to responsible lending.

Future outlook

In 2022, significant progress was achieved in the key target areas for maximising customer satisfaction, ADCB Egypt is also planning to implement additional measures, such as assessing 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 improved channels, and continuously monitoring the results to ensure customers' needs are being met.

The Customer Excellence department regularly works with stakeholders to introduce the best-in-class solutions to meet customers' needs.

ADCB Egypt is now focused on customer experience and excellence in order to enhance the entire customer journey and increase regional brand loyalty. The department aims to introduce centralised automated operational tools at different customers touchpoints, develop the highest information security protection, create a culture of customer-centric approach, support capacity building and HR allocation/hiring, and consistently work on the employer of choice approach.



Financial inclusion

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

ADCB Egypt has been awarded the “Best Financial Inclusion Initiative” by the Digital Banker, Best financial inclusion package towards people with disabilities - Egypt 2022” by International Finance Magazine and “Best financial inclusion initiative - Egypt 2022” by International Business Magazine for its innovative solutions that have enabled more people of determination to access financial services and improve their financial well-being. Launched in 2021, the Erada package aims to support the financial inclusion of PwDs by providing them with access to financial services, education, and networking opportunities.

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, spread financial literacy among the youth, and empower them financially. Therefore, ADCB Egypt has an integrated vision for financial inclusion, “Inclusion via Empowerment,” to efficiently integrate the targeted segments into the financial system. This vision aligns with the directions set by the government and the CBE.

Our approach and progress

By facilitating access to capital and enhancing financial inclusion, ADCB Egypt actively supports the expansion of SMEs, microbusinesses, and entrepreneurs. We also support financial education to advance abilities and understanding regarding prudent financial management and planning.

Financial inclusion awards

Best financial inclusion package towards people with disabilities - Egypt 2022

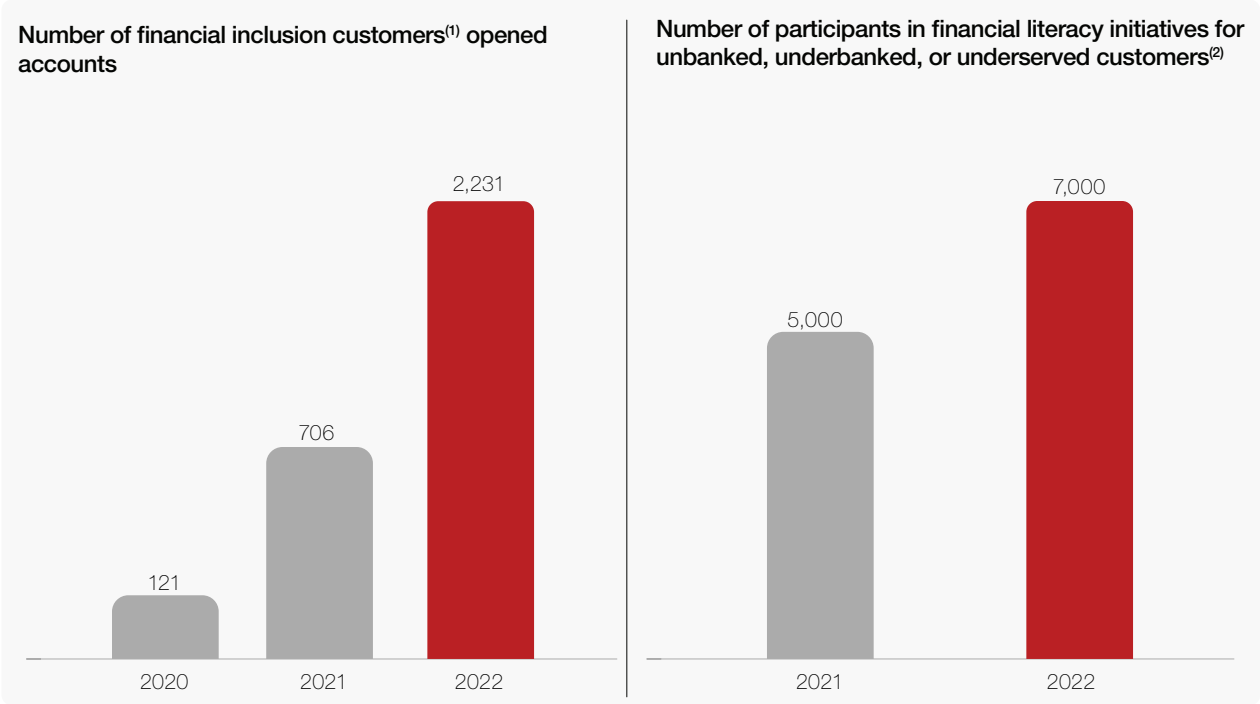
International Finance Magazine

Best financial inclusion initiative - Egypt 2022

International business magazine award:

Best financial inclusion initiative 2022

The Digital Banker



The number of financial inclusion customers' new accounts opened during 2022 has been 1,525 accounts, showing an increase of 116% relative to 2021.

(1)

Type of opened accounts is "savings account"

(2)

Financial Inclusion Customers include: unbanked, under-banked, or underserved customers"

Financial inclusion

Diversified accounts

ADCB Egypt offers various accounts that target different segments such as the youth Tawfeer plus saving account and an account for self-employed individuals, freelancers, handcraft makers, and content creators who cannot provide a commercial register or tax card. These accounts can be easily opened with only a valid National Identification Document (NID), with no account opening fees, minimum balance requirements, or monthly fees.



Financial inclusion

Empowering People with Disabilities (PwDs)

ADCB Egypt is deeply committed to empowering individuals with disabilities and ensuring their full inclusion in the banking sector. ADCB Egypt has taken significant steps to provide equal opportunities and convenient access to its services for people with disabilities.

Braille documents

ADCB Egypt has made banking documents available in Braille, allowing visually impaired customers to independently access and understand the content without relying on assistance from others. This initiative promotes autonomy and privacy, enabling visually impaired individuals to manage their finances with ease and confidence.

Sign language

ADCB Egypt recognises the importance of effective communication and has specially trained its customer service employees in sign language. The Bank's employees can effectively communicate with hearing-impaired individuals and address their inquiries comprehensively by being proficient in sign language. This ensures that hearing-impaired customers receive the same level of service and support as any other customer, fostering an inclusive environment where everyone feels valued and understood.

Accessible branches

Additionally, ADCB Egypt has made significant modifications to its branches to enhance accessibility for people with disabilities. Thirteen branches are now equipped with entrances specifically designed for wheelchair use, making it easier for customers with mobility disabilities to access banking services. These changes demonstrate the Bank's commitment to removing physical barriers and creating a welcoming environment for individuals with mobility challenges. We ensure that individuals with disabilities can independently access and benefit from its services, fostering inclusivity and equal opportunities for all.

13 

Branches are equipped with wheelchair entrances.

Accessible ATMs

To make access to our facilities more inclusive, ADCB Egypt has 56 ATMs equipped for serving PwDs. ADCB Egypt continues to pioneer the integration of PwDs into the banking system.

56 

Equipped ATMs for serving PwDs

Future outlook

ADCB Egypt intends to carry out further activities in universities, schools, and social clubs to educate youth about financial inclusion and involve them in the financial system. ADCB Egypt intends to host hackathons and activations with numerous colleges and universities in 2023. In a different light, the Bank is still working on enhancing its financial services in order to better accommodate to people with disabilities. As a result, the Bank is trying to facilitate PwDs receiving priority treatment and enhancing the handling of customer requests by reviewing and amending its policies. Additionally, ADCB Egypt is exploring furthering the services already provided to PwDs in terms of access, increasing their convenience by digital services and expanding their access to finance. The Bank is also exploring launching dedicated packages for the different financial inclusion segments as defined by CBE.



Case study

Enabling small and medium enterprises (SMEs) to scale up

ADCB Egypt operates in line with the government directives and emphasizes the importance of the supply sector, which is growing significantly with reliance on small and medium enterprises, those enterprises provide large companies, governmental entities & institutions and public sector companies with their operating needs.

Small enterprises require special financing solutions to obtain necessary immediate cash to recirculate their operational cycles, ADCB Egypt's products are designed to provide finance to SMEs under the supply chain finance scheme in collaboration with a digital supply chain platform vendor. The main purpose is providing access to finance for SMEs with liquidity stuck in trade receivables via routing or transferring proceeds of assigned Invoices to the Bank.

The partnership will facilitate the access to the below benefits for corporates and especially the SMEs:

For SMEs – suppliers

- The partnership provides quick access to finance and enhance short term cash flow via changing its credit sales into immediate cash.
- Assign the Bank in an indirect way in the collection processes.

For corporates

The buyers as a return for referring suppliers could benefit from one of the two following scenarios:

- Buyers can either extend their accounts payable days of inventory on hand.
- Providing B2B program as an efficient service to its supplier.

The Minister of Finance has previously appealed to support and enable small and micro enterprises to scale up, where the volume of contracts with small and micro firms has reached 75% of the total governmental contracts volume, exceeding the minimum percentage stipulated in the government contracts law, ADCB Egypt's B2B program has been set in the manner that supports the achievement of that goal.

Case study

Erada

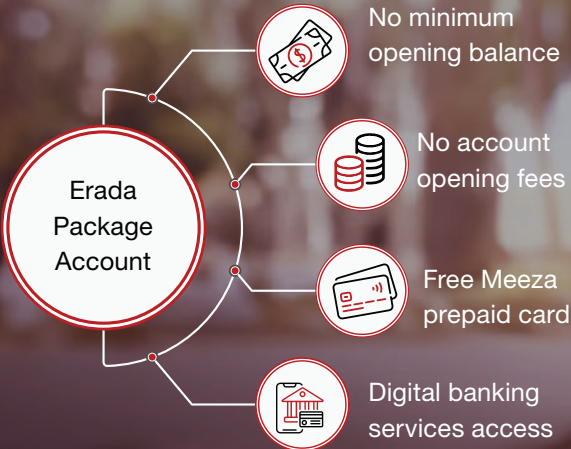
ADCB Egypt is committed to inclusive empowerment and has launched the “Erada” package in 2021. Erada is the first package of its kind to provide integrated services with banking and non-banking features designed to support people with disabilities. This initiative is in line with the Central CBE directions and the nation’s goal to consider people with disabilities into society.



Erada package

This comprehensive package provides banking facilities and services to help people with disabilities (PwDs) in their daily lives. The package is launched without administrative expenses and without a minimum balance. The banking benefits also include the issuance of a “Meeza” prepaid card, and registration for all digital banking services to access accounts, transfer and pay from anywhere, and no administrative fees.

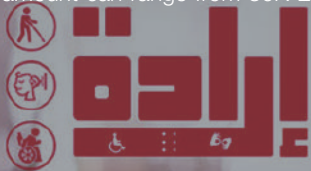
Non-banking benefits are also offered and they include the issuance of medical discounts card with a wide coverage network around the country, discounts on various medical services, and compensatory devices for people with disabilities without any extra fees to claim the discounts.



Erada loan

In 2022, to enrich the existing package, the Bank launched a specially designed personal loan within the “Erada” package for people with disabilities, offering an interest rate 3% lower than the advertised rate.

Repayment periods vary from 6 months and up to 8 years and the loan amount can range from 30K EGP up to 1 MN EGP.



Erada scholarship

To further expand on the Bank’s vision, ADCB Egypt has launched the “Erada” university education grant program for students with disabilities, recognising the importance of quality and equal education for all. High school graduates with disabilities have the opportunity to enroll in accredited-hour colleges at Zewail University of Science and Technology or Ain Shams University, and the grant covers tuition fees until graduation. This grant is implemented in cooperation with Misr El-Kheir Foundation, and the available majors depend on the university’s selection.

ADCB Egypt has also cooperated with El-Sewedy Technical Academy (STA) for the launch of the 1st class for technical education benefiting PwDs.

Read more under [Community investments](#).



Case study

Erada

Celebrating our Erada champions

ADCB Egypt's "Erada" initiative celebrates and supports individuals with disabilities who have overcome obstacles to achieve success and inspire others.



Esraa Emad is the first blind film editor, videographer, and photographer in Egypt. She shot her first film, "Amal," and screened it in many countries, including Italy, France, England, and Iran.

Esraa Emad



Dr. Esraa Babli, the first hearing impaired dentist that has been classified as one of the top ten inspirational women in Egypt. She was the first deaf speaker in the history of the United Nations and one of the main organisers of the World Youth Forum.

Esraa Babli



Adel El-Hoot the first Arab bodybuilder on a wheelchair who won several medals in weightlifting.

Adel El-Hoot



Mohamed Sobhy, Egypt and Africa's champion in tennis who is actively working as a successful sales manager at a multinational company.

Mohamed Sobhy

Case study

Educating youth about financial inclusion and sustainability



In an initiative to spread awareness about both financial inclusion and sustainability, the Bank has launched activations, trainings, interactions with clients, and games that make financial inclusion a seamless journey for everyone, no matter their background. ADCB Egypt is committed to raising awareness about financial inclusion, literacy, and protecting the customers' rights. ADCB Egypt has also been offering free services like opening savings accounts, time wallets, digital wallets, and issuing "Meeza" prepaid cards to their customers. Prized competitions have been organised to encourage people to participate in these activities.

ADCB Academy

ADCB Egypt also provides training opportunities to university students fresh graduates through ADCB Egypt Academy to develop their skills and prepare them to become a part of the Bank and team. ADCB Egypt also participates in recruitment fairs where a team from the HR department presents the available job opportunities and provides tips on preparing a strong resume and developing skills to qualify for the job market.

Banking on Brains

ADCB Egypt has also been collaborating with Well-Spring Egypt and Zewail City for Science and Technology to execute initiatives such as the GEN Z program and the Banking on Brains initiative, that targets innovative solutions based on artificial intelligence in the field of financial and banking technology. Both collaborations aim to solidify the concept of financial inclusion among the new generation and support youth in unleashing their creativity and ambition.

Digital and innovation


Why it matters

In the new normal established following the COVID 19 outbreak, consumers are more and more in need of simpler, faster and more secure banking solutions. As part of its five-year Group Corporate Strategy, ADCB has sped up the path of its digital transformation, offering clients a wide choice of cutting-edge digital services to give them access to their accounts and digital payment solutions 24/7.


Our approach and progress

ADCB Egypt prioritises digitization to improve customer experience and support their financial goals while optimising internal processes. The Bank has continued to deliver digital momentum and introduced new features to its mobile banking platform, including biometric authentication and digital wallet capabilities. This momentum has significantly increased customer engagement in ADCB Egypt, with active digital users increasing by 78%, while retail mobile transactions grew by 22% in 2022.

In 2022, the Bank introduced several digital enhancements. 59% of customers are now registered for digital banking.

22% 

Increase in mobile retail banking transactions compared to 2021

78% 

Increase of digital users in 2022

Digital and innovation awards

- Excellence in digital innovation 2022

The Digital Banker
- Most innovative new digital bank

International Finance
- The best user experience - Egypt

Global Finance Digital Awards for 2022
- Best digital banking services provider - Egypt 2022

International Business Magazine
- Best mobile banking - Egypt 2022

International Business Magazine
- Best online banking - Egypt 2022

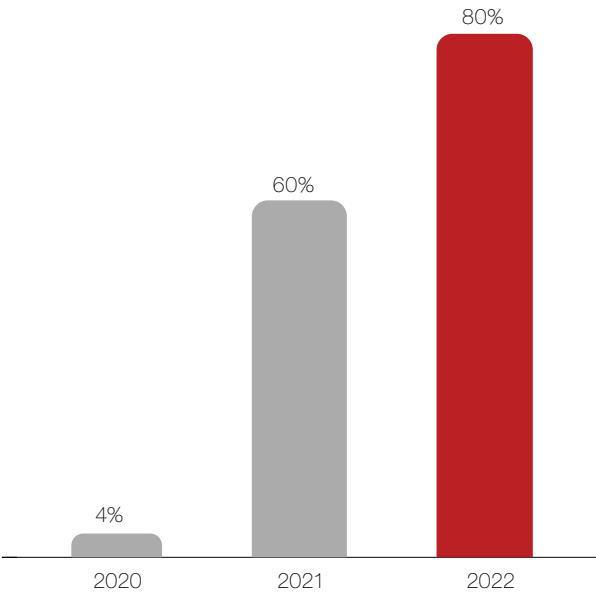
International Business Magazine



Digital and innovation

Subscriptions to the ADCB Mobile Banking increased by 78% during the year, reaching more than 33,500 customers. In addition, 11% of retail transactions were conducted electronically.

Retail customers digital transactions



ADCB Egypt demonstrated its dedication to digitalisation and innovation through various IT initiatives. These efforts aimed to enhance internal operations, improve efficiency, and provide an outstanding customer experience. One notable achievement was the implementation of an artificial intelligence IT service management system. This system helps in automating workflow approvals and eliminating paper forms.

ADCB Egypt has prioritised compliance with IFRS9 standards by deploying the SAS IFRS9 solution. This implementation facilitated faster and more accurate reporting of monthly requirements, reducing the risk of human error by generating reports based on standardised calculations.

Another significant milestone was the digitisation of ADCB Egypt's board meetings, this initiative allowed seamless handling and support from anywhere without a need of physical presence, benefiting non-Egyptian board members in particular and ensured the secure storage of meeting decisions in a digital environment.

ADCB Egypt has also optimised internal processes, and leveraged technology. The introduction of a new CRM system provided a comprehensive view of customer data, enabling personalised and efficient customer service across various

digital channels. Furthermore, ADCB Egypt streamlined processes, resulting in faster service delivery and improved efficiency across the organisation, and the commitment to regulatory compliance and financial transparency further solidified ADCB Egypt's position as a financial institution with a constant target of meeting evolving market and customer demands.

42,702


Paper consumption saving by Convene board portal



Digital and innovation

Digital strategy

In 2022, ADCB Group launched a comprehensive digital strategy to accelerate end-to-end digitization. ADCB Egypt adopted this strategy in line with the group's direction and commitment to embracing digital solutions and innovation to meet the evolving needs of its customers.

Technology


Building a modern cost-effective technology landscape

Commitments:

- Modernising IT/data infrastructure
- Staged cloud migration to underpin digital innovation and volume growth
- Application consolidation to deliver efficiencies and simplify technology estate
- Delivery automation and faster deployment of customer use cases to support business growth in the market

Key benefits:

- Disciplined technology cost base using cloud capabilities
- Simplified technology landscape to support speed-to-market

Digital & analytics


End-to-end digitisation to deliver best-in-class customer experience

Commitments:

- Digitise customer journeys for exceptional customer experience and back-end processes optimisation
- Offering bespoke digital products such as digital wealth value proposition, simplified digital platform, liquidity management and supply chain financing solutions
- Faster production of AI models to support complex and modern analytics capabilities

Key benefits:

- Seamless application processing through differentiated digital products

Organisational capabilities


Developing cutting-edge expertise to strengthen technical capabilities

Commitments:

- Driving software development excellence to maximise productivity and time-to-market of digital propositions
- Sourcing Cloud, Agile, DevOps experience to upskill talent across the Bank

Key benefits:

- Software development cost reduction
- Faster time-to-market for new products

Compliance & cyber-security

Embedding a strong compliance and risk management culture and implementing robust cyber-security

Commitments:

- Maintaining industry-leading cyber-security
- Conducting independent 'Red Team' exercises annually to stress test cyber and physical security controls

Key benefits:

- Highly digitised risk and control environment ensuring strong regulatory compliance

Digital and innovation

Technological advancement for digital payments

“Wa2ty” digital wallet

ADCB Egypt's Wa2ty is a digital solution for banking transactions. With Wa2ty, customers can deposit cash, transfer money instantly, pay bills & fees, and make donations. This digital wallet reflects ADCB Egypt's commitment to digital innovation, offering customers a seamless and convenient way to manage their finances and conduct transactions. This contributes to the growth of the digital banking ecosystem in Egypt, providing customers with a secure, simple, and convenient banking experience. In 2022, 14,792 transactions were carried out using the Wa2ty wallet and 1,306 customers registered during the same year.

Future outlook

ADCB Egypt seeks to significantly expand its user experience innovation and digital offerings through various services and products. Regarding the development and provision of such services, the Bank additionally seeks to enhance and advance its IT infrastructure. ADCB Egypt is also developing the inclusion of biometric authentication and a new digital branch concept to provide a differentiated proposition in the market.



Community investments

Why it matters

ADCB Egypt aims to play an important role in social empowerment, improving the quality of life among vulnerable and disadvantaged communities, as well as addressing both societal and environmental issues. The Bank engages with local communities and organisations to deliver tangible and relevant socioeconomic benefits that contribute to its sustainability progress. These efforts help promote health and well being, financial inclusion and education while helping society to flourish.

Our approach and progress

In line of with UN SDG, Egypt's national goals and ADCB Group sustainability strategy, ADCB Egypt is striving to support the community with an objective to create a value and a long standing impact.

With a special attention to the financial inclusion national priority, ADCB Egypt is consolidating its efforts to serve the underprivileged with special focus on people with disabilities (PWD) to bring to life its vision “inclusion via empowerment”

Action pillars:

- Health, better life and inclusion
- Education
- Entrepreneurship
- Eco-friendly initiatives

To spread its reach nationwide, ADCB selects carefully its partners among the prominent NGOs aligned with its strategic objectives and focus.

EGP 8.4 Mn

Direct donations in 2022

Targeted objective

PWD enabling, empowerment, and inclusion

Action pillars:

- Health, better life and inclusion
- Education
- Entrepreneurship

Women empowerment

Action pillars:

- Health, better life and inclusion

Disadvantaged communities

Action pillars:

- Health, better life and inclusion

Beneficiaries



Community investments

The Bank is able to assist a variety of groups, including mothers and children, young people and students, and entrepreneurs, due to its geographic reach and dedication to community initiatives. In line with its other strategic aims, ADCB Egypt has prioritised finding synergies across its programs and has carried out multiple initiatives aimed at empowering women and people with disabilities (PwDs).

PwD enabling, empowerment, and inclusion

ADCB Egypt believes in diversity and inclusion and has sponsored accessibility in the new building of the Ministry of Planning - Institute of Governance for better consideration of PwDs. In collaboration with Axon, medical cards were provided to 2000 personnels in need. Misr El-Kheir also collaborated with the Bank to provide 50 entrepreneurship & startups for PWD projects, empowering them to generate income and be financially independent. ADCB Egypt also sponsors reputable high quality education through 2 programs, one provides university scholarships in collaboration with Misr El-Kheir and the other provides scholarships in collaboration with El Sewedy Technical Academy

El Sewedy Technical Academy's collaboration for PwDs education

In 2022, ADCB Egypt signed a protocol with El Sewedy Electric Foundation, and the support of the European Bank for Reconstruction and Development (EBRD), to enroll the first batch of people with special needs in technical education and vocational training through El Sewedy Technical Academy for Dual Technical Education.

ADCB Egypt is to provide a financial sponsorship to 22 male and female students with hearing difficulties to equip them with the needed skills of the work field, and grants students of the academy a Diploma from the Ministry of Education and Technical Education. El Sewedy Technical Academy grants accredited international certificates.



Community investments

Differently-abled run

ADCB Egypt under the sponsorship of Cairo Marathon, organised a run for people with disabilities as part of the Bank's ongoing efforts and strategy to recognise these heroes.

The ninth edition of Cairo Marathon is one of Egypt's most significant sporting events.



Women empowerment

ADCB Egypt is dedicated to empowering women through it's work with the Beheya Foundation and Carerha.

Baheya foundation

ADCB Egypt donated to Baheya Foundation for the Treatment of 50 Breast Cancer patients on two different occasions, including Mother's day and Breast Cancer Awareness Month. The Bank's target was to support the hospital's progress and expansion, and help provide healing opportunities to all breast cancer fighters without discrimination.

As a part of the Bank's commitment and efforts to spreading awareness, ADCB Egypt encouraged customers to contribute to this noble cause during October by using their ADCB card. For each customer transaction, a portion was donated to Baheya Foundation, aiding in the treatment of breast cancer fighters with disabilities.

Carerha

We believe in the importance of equality, and in light of the Bank's vision to support and empower women, ADCB Egypt sponsored the Employment Forum "Carerha"- The first women's professional summit aimed at promoting gender equality and work-life balance.



Disadvantaged communities

ADCB Egypt has organised a volunteer club visit to an orphanage of Misr El-Kheir, where 40 orphans had the opportunity to participate in different activities and games including planting trees. Moreover, campaigns targeting low-income families were held. A winter campaign was initiated with the help of Al Omran, where approximately 100 individuals benefited from the building of 20 house roofs and the distribution of blankets and food supplies. In Ramadan, an Iftar was organised with the help of the Egyptian Food Bank, and 10,000 meals were distributed.

Ahl Masr Hospital for Fire Burn Victims

ADCB Egypt has a 3 years ongoing agreement with Ahl Masr that supports treating burns, deformations & disabilities in order to allow victims for better integration in the society. The agreement also extends to equipping the hospital with medical devices and equipment.

Nile of Hope Hospital

ADCB Egypt has donated to aid the treatment of children with deformations and disabilities to help enhance their integration in the community. ADCB Egypt has provided a helping hand in equipping the hospital with medical devices and equipment.

The Bank's efforts extended to solicit its customers. During the month of April 2022, ADCB donated 1% of all purchases made with eligible Visa ADCB credit cards (Classic, Gold, Platinum, and Infinite) to "Nile of Hope Hospital" for the treatment of birth defects and childhood abnormalities. It was valid to all credit card transactions made during the period of April 1st to April 30th, 2022, with no minimum spend required.

Future outlook

ADCB Egypt will continue to work on its active involvement in social causes and demonstrate the commitment to making a positive difference in society. We are also committed to aligning with the national priorities and initiatives, besides the CBE's community empowerment initiatives.



بنك أبوظبي التجاري ADCB Employees

ADCB Egypt recognises that the contributions of its employees play a vital role in the expansion and success of business. Therefore, the Bank is dedicated to fostering a conducive environment that encourages individuals to achieve their maximum capabilities, supports professional growth, and guarantees fair recognition and compensation.

ADCB Egypt standardises key performance indicators (KPIs) to align employee performance expectations with the Bank's overall strategy.



Why it matters

ADCB Egypt understands that its employees' value creation as a key factor in the success and expansion of the business. Consequently, the Bank strives to create an environment where everyone can develop professionally, realise their potential, and have their contributions recognised, valued, and fairly compensated.

Our ambition

Develop a dynamic environment that attracts and enhances the most gifted and dedicated employees.

Our commitments

- > A safe and healthy environment for the staff members
- > Increase employee awareness of organisational goals throughout the whole performance management process reflected on promotions, profit-sharing, incentives, and career progression within the Bank.
- > Apply gender equity practices in the areas of human resources: employment, career development, work-life balance, and anti-harassment policies
- > Standardise KPIs as part of the Bank's direction to fill in the gaps between employee performance expectations and the Bank's strategy.

UN SDGs



Egypt Vision 2030



Employee engagement and wellbeing

Why it matters

ADCB Egypt is dedicated to offering the most compelling opportunities in the job market, encompassing comprehensive benefits packages, a focus on work-life balance, and active employee engagement. ADCB Egypt firmly believes that these factors are essential in attracting and retaining talented individuals who play a pivotal role in driving the organisation's success. By prioritising a positive and rewarding work environment, ADCB Egypt aims to create a workplace that not only fosters employee satisfaction but also fuels long-term growth and prosperity.

1,182 

Total Employees
8% increase relative to 2021

Our approach and progress

At ADCB Egypt, we take pride in fostering a skilled and inclusive workforce, consisting of employees representing diverse backgrounds. Our unwavering commitment to promoting gender diversity and empowering local talent is ingrained in our organisational culture. We prioritise the cultivation of a unique and vibrant work environment that aligns with our strategic goals, facilitated by our dedicated Human Resources (HR) Department. Furthermore, we value the input and perspectives of our employees, actively listening to their voices to ensure their satisfaction and engagement. By upholding our employee value proposition, we strengthen our position in achieving our objectives while nurturing a workforce that reflects the richness and diversity of our society. In 2022, the Organisational Health Index (OHI) survey achieved a score number of 71 with a response rate of 85% and 94% interaction percentage. The results demonstrate a high level of engagement across the Group, reflecting ADCB Egypt's positive culture.

71 

Organisational Health Index (OHI)
score with 85% employee response
rate and 94% interaction rate

Engagement & satisfaction

ADCB Egypt prioritises employee engagement and satisfaction as a key focus. Efficient performance management lies at the core of ADCB Egypt's approach. We emphasise that productivity and being result-oriented are more important than constantly being busy with work. Our Performance Management framework focuses on achieving tangible outcomes, and delivering effective products and services to customers. This entails ongoing activities such as setting objectives, measuring progress, providing feedback, and intervening when necessary to drive continuous improvement.

Health, safety, and wellbeing

ADCB Egypt places a high priority on the health and safety of its employees. We ensure that our working environment is safe and conducive to the overall well-being of staff. This commitment is reflected in various measures implemented by ADCB Egypt, including a comprehensive Medical Insurance Policy that provides coverage for all employees, ensuring their access to annual medical coverage and savings insurance. In 2022, ADCB Egypt applied some improvements to the Medical insurance policy in order to increase employee benefits and further aid them with maintaining their well-being and improving their quality of life.

Ensuring the safety of employees across ADCD Egypt's premises is a paramount concern for our Security Division. We maintain a smoke-free environment through continuous monitoring and coordination with the HR Department. Fire hazards are effectively managed through comprehensive fire prevention measures, including control of combustibles, ignition sources, and regular maintenance of fire detection, alarm systems, sprinkler systems, automatic extinguishers, and fire hose reels. The Security Division also conducts mock fire drills to assess preparedness and report findings for further improvements. Additionally, first aid kits are regularly monitored and restocked to ensure their availability in case of emergencies. The Security Division actively responds to all risks, including those arising from acts of nature, to minimise damage and ensure the uninterrupted continuity of business operations.

By prioritising the health and safety of its employees, ADCB Egypt demonstrates its commitment to providing a secure working environment and to fostering a positive work culture where individuals can thrive and contribute to the Bank's success. Our proactive approach, comprehensive insurance coverage, adherence to safety protocols, and continuous monitoring and response systems contribute to the overall well-being and peace of mind of all employees.

Zero 

Work related injuries

Employee engagement and wellbeing

Grievances

ADCB cultivates a workplace culture that encourages employees at every level to be empowered in addressing inappropriate behaviour, and voicing grievances to pursue ADCB Group's strategic objectives. The Bank has established a formal grievance process, which allows any employee to file a complaint and present their concerns to the management. Each grievance receives prompt and equitable consideration, and employees are protected from retaliation for initiating the process or participating as witnesses. Should an employee have any apprehensions, they are encouraged to raise them directly to their managers or through WeCare Email.

100%

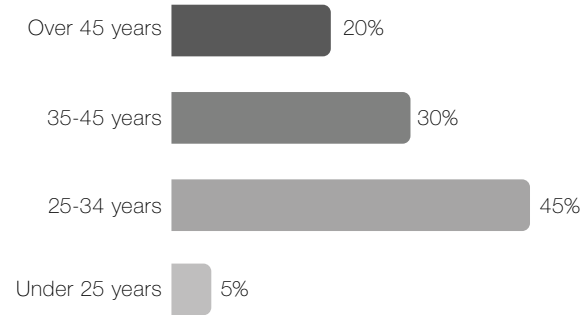
Employee grievances filed in 2022 which were addressed or resolved

Employee recognition

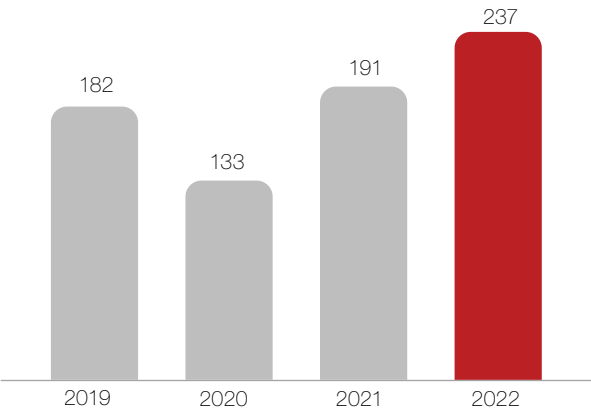
ADCB Egypt strives to maintain a culture of distinction and provide high-quality services to its customers. To achieve this, the Bank has incorporated a continuous recognition program aimed at increasing employee integration and engagement. As part of this program, events were held to honour the Service Excellence Champions in various departments of the Bank to recognise the hard work and dedication of the champions throughout the year. The employees of ADCB Egypt are the real capital & investment and the prime mover to the Bank's continued success. The Bank remains committed to recognising and appreciating their efforts.

Our employees' unwavering dedication and commitment make it possible for ADCB Egypt to maintain its position as a leader in the banking industry. ADCB Egypt's continuous recognition program is a testament to the Bank's commitment to promoting a culture of excellence and appreciation in the workplace.

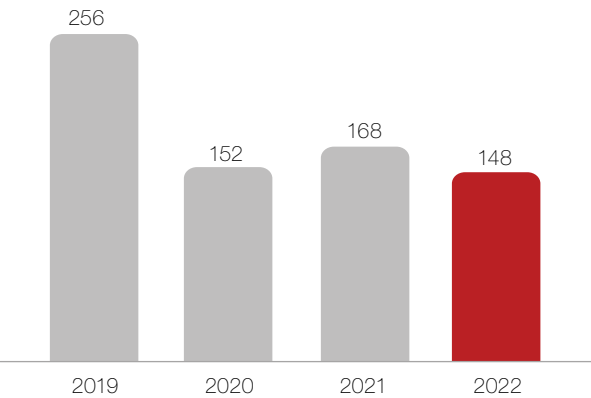
Workforce breakdown by age



Total new hires



Total employee turnover



Future outlook

ADCB Egypt will continue to acknowledge the significance of physical and mental health and well-being and is dedicated to protecting its employees in this aspect. By doing so, the Bank can attract and retain skilled personnel, ensuring stability and sustainable achievement. To achieve this, we have implemented reasonable measures to establish a secure and healthy working environment, in addition to offering programs and standards that promote our staff's health and well-being in the workplace.

Case study Employee engagement activities



Volunteering at 57357⁽¹⁾

ADCB Volunteers have visited 57357 not only to brighten the day of those cancer warriors but also to bring joy and positivity into the volunteers' own lives. This has helped both the volunteers and the patients by uplifting their spirits and bringing smiles to their faces.

Ramadan staff iftar

ADCB Egypt hosted a staff Ramadan Iftar party in the royal atmosphere of Abdeen Palace, marking the first celebration that brought together all members of the work team since the Bank's launch at the end of 2020. The event was held with the special presence of ADCB Group's CEO, Mr. Alaa Erekat, who congratulated the management and staff on the Bank's exceptional performance and emphasised its significance for the group in Egypt. He encouraged everyone to continue delivering strong performance, with the support of the parent group, which holds a leading position among financial institutions in the UAE. Over a thousand employees attended the event, enjoying the traditional Ramadan folklore and reliving the art of a beautiful time.

Ramadan charity convoys

In collaboration with the Egyptian Food Bank, ADCB Egypt brought joy to 10,000 individuals through a Ramadan fasting campaign. The initiative involved sending charity convoys to distribute Iftar meals to fasting individuals in Upper Egypt, the Delta, and Cairo. The goal was to bring happiness to numerous families and provide them with support during the holy month.

Nile of Hope Hospital decorations

To share the joy and celebrations of Ramadan, ADCB Egypt decided to create a joyful atmosphere for the children of the Nile of Hope Hospital, where pediatric surgeries and congenital differences are treated. To achieve this, a team of ADCB Egypt volunteers contributed their time to decorate the hospital with Ramadan-themed decorations, with the aim of spreading happiness and delight among the children.

"Khatwa" employment forum

ADCB Egypt's HR team had numerous engaging discussions with all attendees at the "Khatwa" Employment Forum, which focused on integrating and empowering individuals with disabilities in the workplace. This was a progressive move towards implementing ADCB Group's strategy for financial inclusion by supporting and offering employment opportunities to showcase their skills and abilities. The forum also aimed to increase awareness of protecting customer rights.

(1) 57357 is a Children's Cancer Hospital in Egypt widely known as Hospital 57357

Learning and development

Why it matters

ADCB Egypt prioritises the learning and development of its employees, recognising the value it brings to both individuals and the organisation. By offering tailored training programs across physical and digital channels, ADCB Egypt ensures employees have access to technical, behavioural, and mandatory training. The launch of a new learning platform further enriches their learning experience by providing access to organisational knowledge and best practices. ADCB Egypt is committed to leveraging digital tools to empower employees, fostering a culture of continuous learning, and positioning ADCB Egypt for ongoing success in the dynamic banking industry.

Our approach and progress

ADCB Egypt strongly emphasises on the significance of training and career development, recognising them as crucial elements in maintaining a leading position in the market. We make substantial investments to ensure the delivery of comprehensive and high-quality professional learning opportunities, attracting diverse talent and solidifying our reputation as an employer of choice in the banking sector. We identify each employee's unique strengths and development needs with a personalised approach, aligning them with individualised career plans to support their professional goals. By fostering a culture of continuous learning, we empower our employees to unlock their full potential, drive innovation, and deliver exceptional customer experiences, ultimately propelling the success of ADCB Egypt in a rapidly evolving industry.

The Bank's long-standing commitment to creating a thriving workplace has been recognised by the Digital Banker. ADCB Egypt has been awarded the Best Graduate Employment Program in 2022.

Learning and development award

Best graduate employment program 2022

The Digital Banker

Training and performance management

ADCB Egypt delivered more than 60,750 learning hours to employees in 2022. The Bank places significant importance on fostering a workplace culture that values continuous learning and development for its employees. ADCB Egypt has implemented a range of initiatives to support this commitment and empower its workforce.

Various trainings have been conducted using a blended offering of in-person and online training modules. ADCB Egypt conducts training through needs analysis across various functions and teams to design a comprehensive training plan. This plan encompasses three key categories: technical professional banking, behavioural training, and mandatory training, ensuring that employees receive targeted learning opportunities to enhance their skills and knowledge.

For example, one initiative included the adoption of a comprehensive employee development approach, coupled with a robust succession planning strategy. By providing employees with the necessary tools and resources, the Bank ensures they are equipped to excel in their roles and grow professionally within the organisation.

In 2022, the Bank aimed to increase sustainability awareness internally and externally. ADCB Egypt started by building the required capacities to develop & enhance the necessary skills, knowledge, and resources.

An external awareness campaign was initiated on sustainability with a special focus on climate change and ESG awareness.

We foster a strong information security culture by providing comprehensive training and awareness programs for our employees. Ambition University, our online training program, covers all Bank staff. The percentage of employees formally trained on data privacy and protection is 94%.

60,750 

Total employees learning hours

51 

Average hours of training per employee

Learning and development

ADCB Egypt Leadership School program

ADCB Egypt understands the critical role that effective leadership plays in driving success. To foster leadership development at all levels, the ADCB Egypt Leadership School program continued to adopt a coaching approach aiming to nurture leaders who can inspire and guide their teams to achieve excellence. In 2022, the program focused on 4 key skills

Business	<ul style="list-style-type: none">The 7 Habits for Highly Effective People Training Program
Social intelligence	<ul style="list-style-type: none">Leading by Social Intelligence training program
Leadership	<ul style="list-style-type: none">Leadership Essentials Training program
Banking	<ul style="list-style-type: none">Banking Simulation Training program

HR development program

The Bank has also been working on an HR Development Program directed toward the Bank's staff. This program aims to enhance their capabilities and competencies. The program includes:

ADCB Egypt ensures that regular and constructive feedback is provided to all employees across various levels. During the reporting period, 90% of employees received performance and career development reviews. This enables employees to receive feedback, insights, identify areas for improvement, and seize opportunities for advancement within the organisation. By fostering a culture of feedback and continuous improvement, ADCB Egypt actively supports the professional development and career progression of its workforce.

Human resources	<ul style="list-style-type: none">Human resources diploma certification programCompetency based interviews workshop
Quantifying objectives	<ul style="list-style-type: none">Certified KPI professional certification programHR analytics training program
Governance	<ul style="list-style-type: none">HR governance training program
Performance & feedback	<ul style="list-style-type: none">Job evaluation certification program

Future outlook

ADCB Egypt is committed to further developing all employees by identifying key positions within the organisation and devising a comprehensive strategy to prepare for potential transitions. This entails offering diverse learning opportunities that equip potential successors with the essential skills and knowledge to advance in their roles. The Bank also places high importance on spreading more sustainability awareness among all stakeholders and further educating and training employees on ESG-related issues.

Case Study

ADCB Academy

ADCB Egypt is keen on attracting and retaining talent and helping them grow with the Bank. The ADCB Academy Program is made of two tracks: Fresh Graduates Track and Branch Relationship Track. The program covered a span of three months' journey for participants in both tracks of Academy.

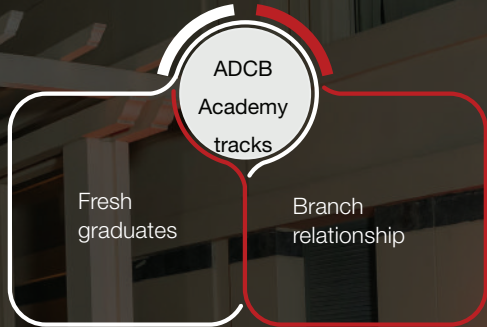
Participants were recruited according to the criteria of recruitment and hiring assessment prior to joining the program. The carefully selected new hires went through an extensive development plan rich with learning, engagement, and exposure to a bundle of technical professional banking as well as behavioural and productivity skills programs.

Fresh graduates track: the talent program targeted 21 fresh graduates with the high potentiality to be allocated to different functions within the bank, namely Wholesale, Operations, and Risk groups after a three-month journey of learning experience.

Branch relationship track: the talent program targeted 29 selected best achievers with banking products selling backgrounds to be allocated in different branches across the Bank.

Graduation & job assignment

ADCB Egypt proudly celebrated the graduation and hiring of ADCB Academy's second batch of trainees. All 50 graduates have gained the skills needed to kick-start their careers in the banking sector. They were assigned new roles under mentors from their new functions across different branches.



21 

Participants of the fresh graduates track

29 

Participants of the branch relationship track

Equality, diversity and inclusion

Why it matters

ADCB Egypt places great importance on upholding values that prioritise the distinctive needs, perspectives, and potential of our employees. Our culture celebrates the diverse qualities and abilities that each individual brings to the team.

Our approach and progress

ADCB Egypt remains dedicated to evaluating the existing organisational culture, internal procedures, and representation of diverse groups at all levels within the Bank. Our unwavering commitment to upholding diversity and inclusion across various categories, such as race, gender, age, religion, and experience, is at the core of our identity. We firmly believe that diversity cultivates creativity and a sense of community, and we are committed to promoting fairness to unlock the full potential of our diverse workforce.

1.07

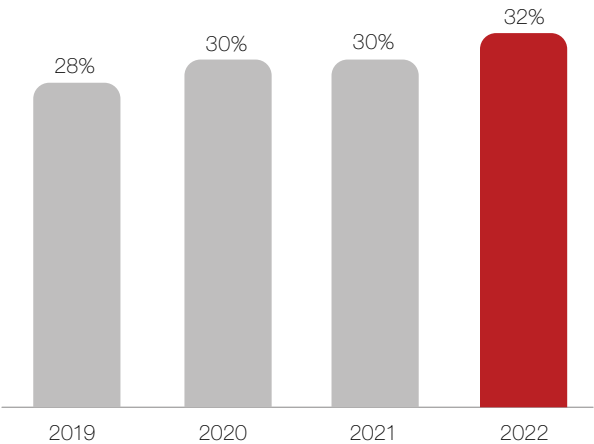


Ratio of median male to median female salary

Gender diversity

ADCB Egypt increased the number of employees in the workforce to reach 1,182, an increase of 8% from 2021's workforce, and most of the Bank's employees are within the 25-34 age group. The Bank's workforce comprises 68% male and 32% female employees, with the gradual integration of PwD into the workforce.

Percentage of female employees in the workforce



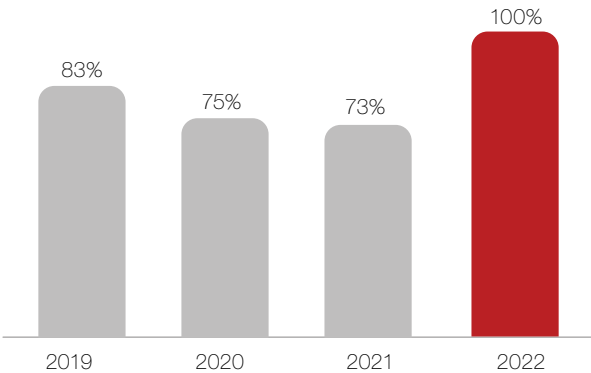
Board diversity

Building on the aim of reinforcing diversity and inclusion, the Bank onboarded one female board member in 2022. This increased the board's diversity by 12.5% compared to 2021, and the Bank aims to continue building on the efforts to improve its gender equity and inclusion.

Maternity leave

ADCB Egypt abides by the local laws and regulations related to parental leaves. Maternity leave is granted for 90 days of fully paid leave for maternity. Additionally, employees have the option to take up to two years of unpaid leave, with the provision that unpaid leave can be availed of twice by each employee.

Return to work rate



Future outlook

ADCB Egypt will build on the diversity and inclusion advancements to better cater to the Bank's employees' diversified needs and evolving preferences affirming our commitment to diversity. Our objective is to promote the inclusion of women in senior positions and on the Board while also promoting greater representation of underrepresented minorities in various departments and functions throughout the Bank. In addition, we are committed to focusing on individuals with disabilities (PwDs), improving our facilities and policies, and aim to meet the national requirement of having 5% of our employees be PwDs by 2025.

Governance

ADCB Egypt maintains a strong commitment to upholding ethical standards and compliance with laws and regulations. The Bank operates with zero-tolerance for violations of its code of conduct, ensuring adherence to the best global practices.



Why it matters

With zero tolerance for violations of its code of conduct and ethics, ADCB Egypt strictly adheres to all applicable laws and regulations and adopts global best practices. On top of that, the Bank employs proactive strategies to guarantee transparency, accountability, and integrity in every area where it operates.

Our ambition

Maintain integrity and trust by running a responsible business that abides by the highest ethical standards.

Our commitments

- > Incorporating ESG factors in the different Lines of Business.

UN SDGs



Egypt Vision 2030



Corporate governance

Why it matters

ADCB Egypt places significant importance on maintaining a world-class corporate governance framework, ensuring strict adherence to local laws and regulations. By effectively overseeing compliance risks, ADCB Egypt enhances its resilience and ability to mitigate risks, ultimately creating greater value for all stakeholders. Recognising the crucial role of Banks in supporting economic growth, ADCB Egypt emphasises robust corporate governance practices as fundamental to the security and stability of the industry. ADCB Egypt maintains a strong culture of compliance, accompanied by a comprehensive code of conduct, to uphold ethical standards and foster trust among its customers, employees, and the wider community.

Our approach and progress

ADCB Group attributes part of its success to a cohesive Governance Framework that adheres to the highest international standards of good corporate governance. With clear Group guidance, a strong local vision, and unwavering dedication, ADCB Egypt maintains its responsible banking commitments while ensuring efficient operations and sound decision-making. The Bank firmly believes in and is fully committed to good corporate governance as a foundation for future development and corporate performance, building trust as a custodian of depositors’ funds and shareholders’ capital and contributing to its overall success. The Bank’s governance structure is led by the Board, which assumes responsibility for guiding the Bank and setting its strategic direction. Furthermore, the Bank establishes several Board and management committees that oversee and monitor its day-to-day activities alongside their respective responsibilities. To ensure the long-term interests of stakeholders, the Bank has implemented appropriate governance frameworks comprising processes and policies, including risk management, executive remuneration, financial stability, and compliance with legal frameworks and regulations. These measures are in place to effectively manage ADCB Egypt in a manner that prioritises the well-being of its stakeholders.

Board members

The Board of Directors (BoD) of the Bank is fully responsible for overseeing the Bank’s operations and governance system. Its primary role is to ensure the Bank’s operations are effective, implement the Bank’s strategy, supervise the Bank’s management, and oversee various types of risks. One of the BoD’s primary responsibilities is to establish compliance principles and approve a Compliance Policy, which includes a Compliance Charter set up by the Audit Committee. With the Bank’s compliance principles and policy in hand, the BoD defines the Bank’s main strategies and objectives, ensures their implementation, and communicates them to the Bank’s employees. Additionally, the BoD approves various policies, including disclosure policies, the Bank’s Corporate Governance Policy, the Anti-Bribery and Corruption Policy Risk Management Policies, and staff Benefits and remuneration policies.

The BoD regularly evaluates the Bank’s governance and internal control framework, monitors and manages any conflict of interest or misuse of the Bank’s assets and related party operations, and ensures effective mechanisms for identifying, assessing, and mitigating risks. The BoD also approves the responsibilities of the Management Committees, selects the Bank’s Senior Executives, oversees their performance, and ensures a clear succession plan for central executive positions is in place.

The membership term for the Board is two consecutive terms only, a maximum of six years as per the CBE regulations.



Board members

8



Non-executive Directors

5



Independent Board Member

1



Number of meetings held by the Board

9



Female representation at the Board level

12.5%

Corporate governance



H.E Mohamed Dhaen Mahasoon Alhamli
Position: Non-Executive Chairman
Board meetings attendance: 9/9
Tenure: 4 years & 1 month



Ihab Abdelaziz Fahmy El-Sewerky
Position: Executive Board Member & CEO
Board meetings attendance: 8/9⁽¹⁾
Tenure: 4 years & 9 months



Hisham Abbas Hassan Abbas
Position: Executive Board Member
Board meetings attendance: 8/9
Tenure: 1 year ⁽¹⁾



Karim Magdi Mohamed Galaleldin Elkhadem
Position: Non-Executive Board Member
Board meetings attendance: 9/9
Tenure: 2 years & 11 months



Adnan Omar Mohammad Al-Ismaail
Position: Non-Executive Board Member
Board meetings attendance: 9/9
Tenure: 2 years & 11 months



Mohamed Hussam Saleh Abdulhameed Akasha
Position: Non-Executive Board Member
Board meetings attendance: 9/9
Tenure: 2 years & 7 months



Zohier Ishaq Sulaiman Mohamed Abou Shouska
Position: Non-Executive Board Member
Board meetings attendance: 8/9
Tenure: 2 years & 7 months



Ingy Mohamed Ibrahim Ahmed Badawy
Position: Independent Board Member
Board meetings attendance: 6/9⁽²⁾
Tenure: Joined on 28th of March 2022 subject to General Assembly approval.



(1)

Board of Directors meeting for non-executive members.

(2)

The Central Bank approved the nomination of Dr. Engy Mohamed Ibrahim Ahmed Badawy as an independent member of the Board of Directors on March 28, 2022.

Corporate governance

Board Committees

The Board operates four standing Committees:

- Board Audit Committee
- Board Risk Committee
- Board Remuneration Committee
- Governance and Nomination Committee

In 2022, 8 full board meetings were held and one board meeting with the non-executives and the control functions. The Board has established four Board Committees to assist in fulfilling its responsibilities. Each committee is responsible for examining specific aspects of Bank operations and providing advice to the full Board. In 2022, we held 4 audit committee meetings, 4 risk committee meetings, 2 governance committee meetings and 2 remuneration committee meetings. The Terms of Reference for each committee are regularly reviewed and updated as needed, outlining their respective duties and obligations. The committee members' suitability for their roles and commitment to adhering to regional and global best practices for corporate governance are consistently evaluated. ADCB Egypt has also implemented a robust monitoring system to ensure clear performance and accountability standards. Consequently, our Board of Directors can effectively oversee operations and exercise authority to ensure the reliability of internal control procedures. With these safeguards in place, ADCB Egypt is confident in the safety and effectiveness of its operations and risk management practices.

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, at least two of the Board members should be independent and can hold their positions for two consecutive terms with a maximum of 6 years.

Conflicts of interest

To prevent and mitigate conflicts of interest, ADCB Egypt has implemented several processes overseen by its highest governance body, the Board of Directors. Here are the steps taken:

- Board members are required to disclose any potential conflicts of interest by submitting a written declaration. This ensures transparency and allows the Board to address and manage such conflicts effectively.
- All employees are required to sign a Conflict-of-Interest Disclosure commitment each year.
- During the hiring process for new staff, any possible conflicts of interest are disclosed and taken into consideration to ensure that employees do not have personal interests that could compromise their objectivity in decision-making.
- Relevant clauses addressing conflicts of interest are included in all contracts conducted with third parties. This ensures that external entities working with ADCB Egypt are aware of and comply with conflict of interest guidelines.

- Induction materials provided to new employees include training and awareness on the conflicts of interest. This ensures that all staff members understand their obligations and responsibilities in managing and avoiding such conflicts.
- The Board of Directors approves the Bank's organisational chart, ensuring clear reporting lines and segregation of duties, minimising potential conflicts of interest & independence of the control functions.
- The Board also approves the Regulatory policy, incorporating the Conflict of Interest section. This policy outlines the framework and controls in place to address conflicts of interest within the Bank's operations.
- All employees are required to sign a Conflict of Interest Disclosure commitment each year, which highlights/ensures the behaviors that should be refrained, breaches' disclosing & the transparency, the cases that should obtain a prior approval from line managers & Compliance officials, and the declarations.

ADCB Egypt ensures transparency by disclosing any relevant conflicts to stakeholders. This is achieved through this Annual ESG Report, where stakeholders can access comprehensive information about the Bank's governance practices, including measures taken to prevent and mitigate conflicts of interest.

ADCB Egypt's Board of Directors and senior executives play a crucial role in managing conflicts of interest effectively. They oversee the Bank's Management Team and review and approve policies related to regulatory compliance, gift-giving, disclosure, compliance, and personal trading to ensure they are appropriately implemented.

Executive management remuneration, incentives and KPIs

Sustainability has also been embedded in the heart of ADCB Group's performance management framework, with the Group CEO and Group CFO's remuneration linked to ESG KPIs. The ESG-related KPIs include:

- > Sustainability strategy milestones
- > Emiratisation target (ADCB UAE)
- > Customer net promoter score (NPS)
- > Compliance and risk metrics
- > Digital Index
- > Organisational Health Index (OHI)

Following the Group's strategy, ADCB Egypt shall work on setting and embedding incentives and KPIs for its executive management team in the upcoming years.

Corporate governance

Board nomination and evaluation

ADCB Egypt follows specific criteria for nominating and selecting its highest governance body, the Board of Directors, and its committees. These criteria include ensuring that board members possess diversified qualifications, capabilities, skills, expertise, and knowledge that are relevant to their positions. It is crucial for board members to have a comprehensive understanding of their responsibilities as well as the duties of the committees they are involved in.

ADCB Egypt conducts a comprehensive annual evaluation of the Board and its committees. This evaluation assesses their performance, effectiveness, and adherence to governance principles. Board members also engage in self-assessment to reflect on their individual contributions. These rigorous evaluation processes aim to ensure a high level of board performance, accountability, and adherence to governance standards.

Code of conduct

The Code of Conduct sets clear expectations for ethical and professional conduct for all employees and representatives of the Group, including ADCB Egypt as a subsidiary. It emphasises the importance of treating customers, colleagues, shareholders, communities, and each other with integrity and respect. The code highlights key legal and regulatory requirements and also reinforces the values guiding the organisation. It encourages a culture of integrity and emphasises the need to promptly report any actual or potential misconduct. Compliance with the code is mandatory, and upon joining ADCB Egypt, employees are required to acknowledge their understanding and adherence to it. Code violations may lead to disciplinary measures, up to and including termination of employment.

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

Compliance monitoring and reporting

ADCB Egypt prioritises compliance by establishing guidelines, policies, and procedures to ensure adherence to laws, regulations, rules, and standards. The Compliance Department plays a crucial role in evaluating compliance and reporting any violations to the Board Audit Committee, along with recommendations for penalties. They also take measures to address compliance issues and prevent future violations. The department monitors and reports quarterly on compliance activities, reviews, and the status of Management Corrective Action Plans.

In 2022, ADCB Egypt updated its compliance policies, including the Regulatory Compliance Policy, AML/CFT policy, Whistleblowing Policy, FATCA policy, and ABC policy. These updates aimed to align with regulatory frameworks, enhance controls, and mitigate risks. The Compliance Department emphasises training, awareness sessions, system enhancements, and an advisory role to promote a culture of compliance. Their ongoing commitment to regulatory compliance supports the Bank's strategic objectives and the protection of shareholders' interests.

Corporate Governance report

The bank's commitment to transparency and accountability is exemplified through the Annual Corporate Governance Report, a comprehensive document that provides a detailed overview of the bank's governance practices, policies, and achievements throughout the year. This report serves as a key communication tool for the stakeholders and regulatory bodies, highlighting the bank's commitment to upholding the highest standards of corporate governance.

The Corporate Governance Report covers a wide range of areas, including board composition, committee structures and compliance. It outlines the bank's governance

framework, showcasing how it aligns with regulatory requirements and industry best practices.

Importantly, the Annual Corporate Governance Report is signed off by the Board of Directors, underscoring their collective responsibility for the bank's governance. This sign-off signifies the board's endorsement and accountability for the contents of the report, ensuring its accuracy and credibility.

Whistleblowing policy

ADCB Egypt has implemented a Whistleblowing Policy that applies to employees of the Bank as well as third-party vendors. The policy actively encourages individuals who have witnessed or suspected any malpractice, fraudulent activity, or violation of the Code of Conduct to report such matters promptly. The Bank has established clear communication channels, including a dedicated email address and a hotline number, to facilitate the reporting of concerns related to corruption or instances of misconduct.

ADCB Egypt recognises the importance of whistleblower protection in fostering a culture of transparency, accountability, and integrity. By providing accessible channels for reporting, the Bank demonstrates its commitment to addressing any wrongdoing and taking appropriate action to maintain ethical standards within the organisation.

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

Future outlook

ADCB Egypt aims to prioritise diversified qualifications in board nominations, conduct annual evaluations for accountability. During 2023, the Governance Team plans to update the Board Charter and Board Committees' TOR after conducting a gap analysis between the ADCB Group and ADCB Egypt TORs and in line with local laws and regulations. ADCB Egypt will also strengthen its compliance framework, including its Whistleblowing Policy to maintain its secure channels for reporting and maintain transparency and accountability within the organisation.

Risk management and cybersecurity

Why it matters

In today's fast-paced world, risk management, cybersecurity, and data privacy have become paramount concerns for every organisation. ADCB Egypt fully acknowledges the critical importance of comprehensive risk oversight, effective mitigation strategies, cyberliteracy, and ensuring the utmost protection of customer data. As a result, we remain dedicated to continuously enhancing our technological infrastructure and implementing rigorous frameworks to ensure robust protection against any future uncertainties.

Our approach and progress

To ensure effective risk management, ADCB Egypt's Risk Strategy aims at full alignment with ADCB Group's Risk Strategy. Continuous follow-up and revision are in place to reach this goal. ADCB Egypt has established comprehensive risk management policies and systems in line with this goal. These policies and systems undergo regular review and updates to align with market dynamics, product offerings, and best practices. Our risk department, in coordination with various operating units, plays a pivotal role in identifying, evaluating, and mitigating financial risks.

Additionally, the Board of Directors approves the policies that cover overall risk management such as credit, market & liquidity, and operational risks, as well as specific risk areas foreign exchange rate risk, interest rate risk, and the use of financial derivative instruments.

Risk management

ADCB Egypt recognises the importance of effectively managing divergent risks, starting with financial risks to

maintain a balanced risk and return profile while minimising adverse effects on its financial performance. These risks include credit risk, market risk, liquidity risk, and other operating risks.

Market Risk as a function at the enterprise level with dual focus on quality and profitability aspects, providing modern future readings – quantitative Market Risk and Liquidity Tools and have them embedded into the day-to-day Risk running process.

Also ADCB Egypt sets a comprehensive Operational Risk Management Framework to achieve Operational Risk key objectives of which are to:

- Ensure consistent approach to managing operational risk at the bank
- Support the Bank business objectives
- Reinforce a proactive risk management culture
- Continuously improve the bank's control environment

ADCB Egypt also places significant emphasis on the credit risk department, which conducts periodic independent reviews of the risk management and control environment. This department ensures adherence to risk management policies and processes while providing valuable insights for improvement. By analysing credit risks associated with lending and other credit-related activities, the credit risk department contributes to maintaining a healthy risk profile for ADCB Egypt, further details related to the integration of E&S risks into credit assessments is available under the Environmental & Social Risk Management (ESRM) section.

Audit activities

As a method of control, internal audits are conducted by a third party; the Internal Audit Group Egypt (IAGE), IAGE plays a crucial role in evaluating our internal controls and risk management practices. IAGE prepares written reports summarising the conclusions of each internal audit engagement, which are then distributed as necessary. The results of these audits are communicated to the Board Audit Committee (BAC), CEO&MD, and the Bank management. The IAGE also follows up on audit findings and recommendations, ensuring timely resolution. Additionally, outstanding issues are reported on a quarterly basis to the BAC, CEO&MD, and relevant senior management.

Cybersecurity

ADCB Egypt prioritises the protection of customer information and data security by implementing a robust framework. We consistently adhere to exceptional cybersecurity standards, complying with relevant privacy and data protection laws and regulations. ADCB Egypt continually enhances its cybersecurity practices to mitigate potential risks. By maintaining a strong focus on cybersecurity, we safeguard our financial performance and the interests of our customers.

Society for Worldwide InterBank Financial Telecommunications (SWIFT) compliance validation: protecting customer data

ADCB Egypt successfully completed the Compliance Validation Assessment for the Society for Worldwide InterBank Financial Telecommunications (SWIFT) Customer Security Protection Framework 2022. This validation,

attested by a third party, demonstrates our commitment to meeting stringent security standards and safeguarding customer data. The project's completion and publication to SWIFT highlight our dedication to maintaining the highest level of compliance.

Strengthening cyber defense: security orchestration, automation, and response (SOAR) and endpoint detection, and response (EDR) deployment

To fortify our defense against cyber threats, ADCB Egypt has acquired and deployed advanced solutions. The implementation of a Ssecurity orchestration, automation, and response (SOAR) solution enables us to streamline and automate security processes, enhancing our incident response capabilities. Additionally, the acquisition of an endpoint detection, and response (EDR) solution empowers us to identify and mitigate potential threats at the endpoint level proactively.

Robust security monitoring: QRadar security information and event management (SIEM) upgrade

ADCB Egypt achieved a significant milestone by successfully completing the migration and upgrade of QRadar security information and event management (SIEM) hardware in our Disaster Recovery Data Center. This upgrade ensures our security monitoring capabilities remain robust and enables us to effectively detect and respond to security incidents, even in the event of a disaster.

Risk management and cybersecurity

In-house security operations: establishing the Security Operation Center (SOC)

We have demonstrated our commitment to maintaining control and real-time monitoring of security operations by establishing our own security operation center (SOC) and successfully migrating from an outsourced vendor. This strategic move enhances our ability to detect and respond promptly to emerging threats, providing a higher level of protection for our systems and data.

Proactive vulnerability management: assessments and penetration testing

ADCB Egypt takes proactive measures to assess and address potential vulnerabilities. We have conducted comprehensive security assessments, including risk assessments and core banking system tests, for various projects and initiatives such as T24 upgrade, convene, digital onboarding, IPN, Cisco call center, ITM, and more. By prioritising security from the outset, we ensure our systems are robust and well-protected.

To ensure a strong security posture, we conduct quarterly internal and external vulnerability assessments, wireless security assessments, and network configuration reviews. This regular assessment process helps identify and address vulnerabilities within our systems and infrastructure, strengthening our overall security posture and ensuring a proactive approach to risk management.

Validating digital service security: penetration testing and retesting

ADCB Egypt conducts comprehensive penetration tests and retests to safeguard our digital services. These tests cover critical areas such as mobile banking, Internet banking for retail and corporate, mobile wallets, and ATMs. By rigorously testing the security of these platforms, we ensure the protection of customer data and transactions.

Premises security assurance: segmentation and wireless assessments

ADCB Egypt conducts segmentation penetration tests and wireless assessments on our premises to ensure the integrity of our infrastructure. These tests verify the absence of rogue access points and provide assurance that our physical locations are secure.

Transparent reporting and governance: information security risk profile

We prioritise transparency and accountability in information security by quarterly presenting our information security risk profile to the board risk committee (BRC). This reporting mechanism ensures that key stakeholders are informed about the risk landscape and enables strategic decision-making to address potential threats effectively.

Comprehensive onboarding and induction: security training for new employees

We prioritise information security from the moment employees join ADCB Egypt. Through on-site induction and awareness sessions, we provide comprehensive training and guidance to ensure all new employees understand their roles and responsibilities in maintaining a secure environment.

Strengthened cyber liability insurance: alignment with ADCB Group

Aligning with ADCB UAE, ADCB Egypt now falls under the ADCB Group cyber liability insurance policy. This alignment provides an added layer of protection against cybersecurity risks, ensuring we are adequately covered in the face of evolving threats.



Risk management and cybersecurity

Data management and privacy

ADCB Egypt's commitment to data management and privacy is aligned with the principles upheld by ADCB Group. We treat data as a valuable asset and recognise the importance of protecting our customers' rights, confidentiality, and the accuracy of their information. This approach goes beyond regulatory requirements and reflects our ethical responsibility.

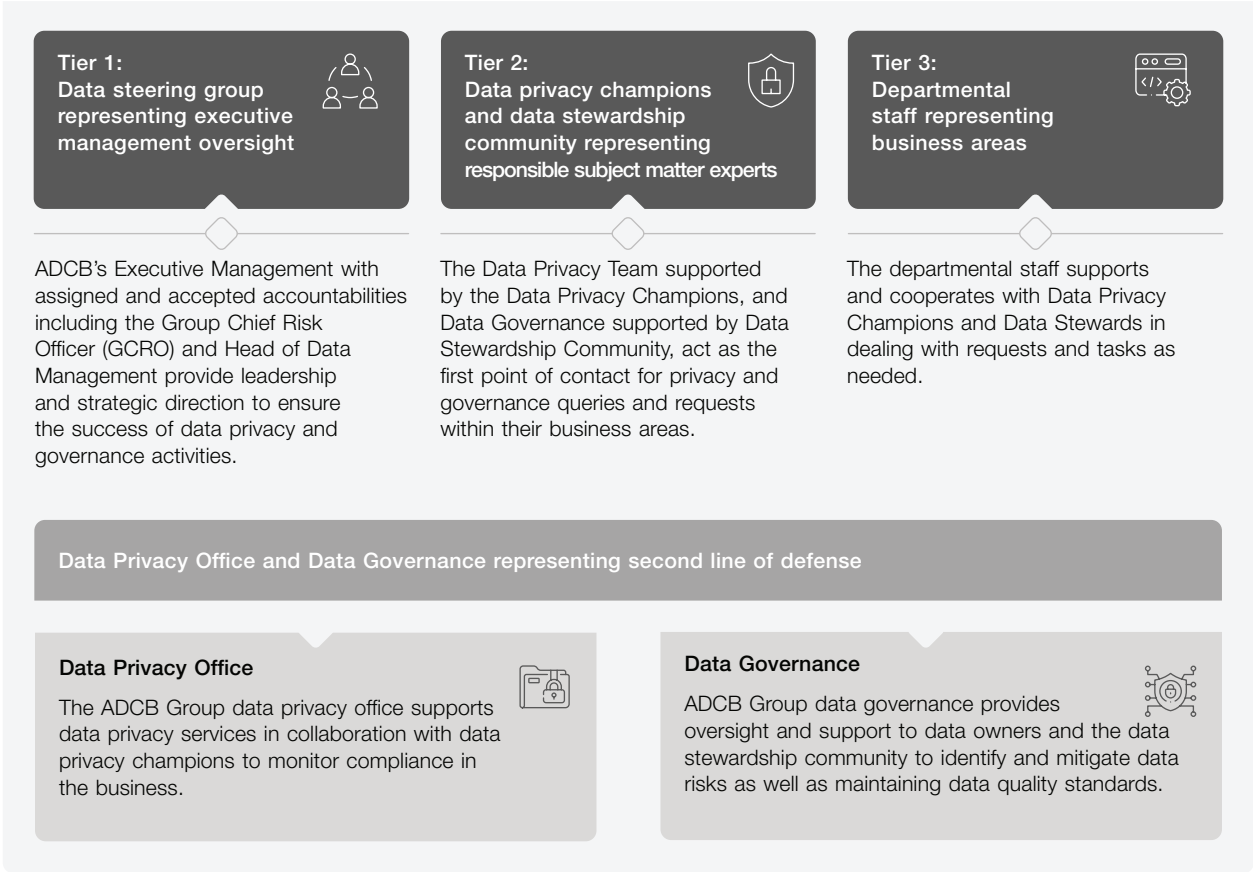
Our data management practices comply with Egypt's Consumer Protection Standards and international best practices. The Bank's Data Privacy Office, which includes a dedicated Data Protection Officer, ensures compliance with data privacy regulations and reports to the regulators in the jurisdictions where ADCB Egypt operates.

In 2022, ADCB Egypt, as part of the ADCB Group, started their roadmap to implement the Group Data Strategy. This strategy was built upon core principles such as data federation, data efficiencies, collaboration between data producers and consumers, data ownership and stewardship, and continuous monitoring and improvement of data quality. These principles guide our efforts to effectively manage and protect data within ADCB Egypt, ensuring that we maintain high privacy and security standards.

Zero



Data breaches in 2022



Fraud monitoring and reporting

In 2022, ADCB Egypt worked on enhancing the process of fraud mitigation. The Bank has powered a fraud detection solution that helps secure digital banking & IPN fraud risk.

ADCB Egypt collaborates closely with the Risk Fraud Team and Compliance function to promptly report and respond to suspected phishing and fraud incidents reported by customers. This coordinated effort further strengthens our ability to identify and mitigate potential threats, ensuring the security of our customers' sensitive information.

Future outlook

ADCB Egypt remains committed to enhancing the effectiveness of its financial crime risk management system by exploring the latest methods and techniques, includes leveraging data analytics for decision intelligence, which can provide valuable insights into potential risks and help inform strategic decision-making. Additionally, the Bank will continue to prioritise capacity building for its employees across all branches. We recognise the importance of providing ongoing training and development opportunities to ensure that employees have the skills and knowledge they need to effectively identify and mitigate risks.

Financial crime, anti-bribery and corruption

ADCB Egypt is dedicated to addressing financial crime and corruption, and understanding their negative impact on the banking industry, the national economy, and society. By implementing robust measures, ADCB Egypt strives to protect clients, stakeholders, and the integrity of the financial system. ADCB Egypt recognises that financial crimes erode trust and profitability, while corruption enables organised crime and hampers economic growth. We promote transparency, integrity, and ethical conduct to prevent and mitigate these risks, aiming to create a secure and prosperous environment for stakeholders.



Our approach and progress

ADCB Egypt is dedicated to upholding the highest ethical standards and complying with all relevant laws and regulations. The Bank places significant emphasis on the prevention of financial crimes, such as money laundering, terrorist financing, bribery, corruption, sanctions evasion, and proliferation financing, recognising that effective risk management is essential for its success. All employees are required to acknowledge the Code of Conduct annually, with a zero-tolerance policy for any breaches, fraud, or corrupt practices by staff and vendors. ADCB Egypt adheres to international and national regulations on anti-money laundering and terrorism financing, implementing robust policies, best practices, and capacity building across departments and stakeholders. The Bank has developed stringent control mechanisms, procedures, and algorithms to identify and prevent financial crimes. The system mitigates internal and external suspicious transactions while the SAS solutions detect potential financial crimes abnormal activities. The monitoring controls are supported with a comprehensive policy and AML procedures. The Bank is committed to continually improving its approach and progress in combating financial crimes, bribery and corruption.

100% 

Percentage of employees trained in anti-corruption and anti-bribery

Financial crime program

ADCB Egypt is dedicated to conducting its operations with integrity and respecting its regulatory, ethical, and social responsibilities. To mitigate financial crime risks and ensure the safeguarding of ADCB Egypt, its employees, shareholders, and customers, the Bank has implemented a comprehensive Financial Crime Program. This program encompasses robust procedures, internal systems, controls, and Board-approved policies on Anti-Money Laundering (AML) and Sanctions. ADCB Egypt has a dedicated financial crime function within compliance to facilitate effective and efficient risk-based financial crime risk management. We regularly review and update key policies, such as the Regulatory Compliance Policy, AML/CFT Policy, Whistleblowing Policy, FATCA Policy, and ABC Policy, to align with local and international regulatory frameworks and enhance control mechanisms. ADCB Egypt has adopted several policies from global and national sources, including the Sanctions Policy, Know Your Client & AML/Countering Financing of Terrorism Policy, Anti-Bribery & Anti-Corruption Policy, Personal Trading Policy, and Whistleblowing Policy. The highest governance body, the Board Audit Committee, oversees due diligence processes and other initiatives to identify and manage the organisation's impacts on the economy, environment, and people. The Board reviews and approves relevant policies and reports, including sustainability, governance, anti-bribery, and corruption policies, while considering associated risks. ADCB Egypt's financial crime program demonstrates its commitment to mitigating risks, ensuring compliance, and maintaining the highest standards of integrity.

Anti-bribery and corruption

ADCB Egypt and ADCB Group maintain a strict zero tolerance policy towards bribery and corruption. Our Anti-Bribery and Corruption (ABC) Policy prohibits all employees and associated parties from engaging in such activities. Our employees are expected to ensure that any hospitality, gifts, or business courtesies given or received comply with applicable laws, regulations, and ADCB Group policies. Furthermore, employees are obligated to report any suspected or actual violations of the ABC Policy, or applicable laws and regulations, to the designated Anti-Bribery and Corruption Officer or through the Whistleblowing channel without delay.

We prioritise continuous training to equip our employees with the knowledge and tools necessary to identify and report any instance of corrupt or unethical practices. All employees receive training on our anti-corruption/anti-bribery policy.

Future outlook

ADCB Egypt is committed to exploring the most up-to-date methods and techniques to enhance the effectiveness of our financial crime risk management system. We aim to achieve this through improved data analytics for decision intelligence. Additionally, we prioritise building our employees' capacities in all branches to ensure that they are equipped with the necessary skills and knowledge to effectively manage financial crime risks.

Tax transparency

Why it matters

ADCB Egypt is committed to upholding the same standards of transparency in its tax affairs as ADCB Group. As a contributor to the Egyptian economy and offshore financial service activities, ADCB Egypt recognises that its corporate behaviour impacts a wide range of stakeholders, including customers, shareholders, employees, and governments. ADCB Egypt is dedicated to upholding strong corporate values and behaviours, including its approach to taxation. The Bank firmly believes that transparency is essential to building trust and promoting responsible behaviour within the banking industry.

Our approach and progress

ADCB Egypt is fully committed to upholding tax compliance by adhering to all applicable tax laws, rules, and regulations without exception. ADCB Egypt does not enter into artificial arrangements to minimise or avoid taxation. This approach to tax is maintained through compliance with ADCB Group's tax governance framework, controls and risk management process that are in place to manage tax risk.

Governance

ADCB Egypt applies ADCB Group's tax control framework and it is an important means of managing our tax affairs. The tax control framework outlines all tax policies and procedures across the Group.

① Group tax policy

② Standard operating procedure

③ Tax procedures

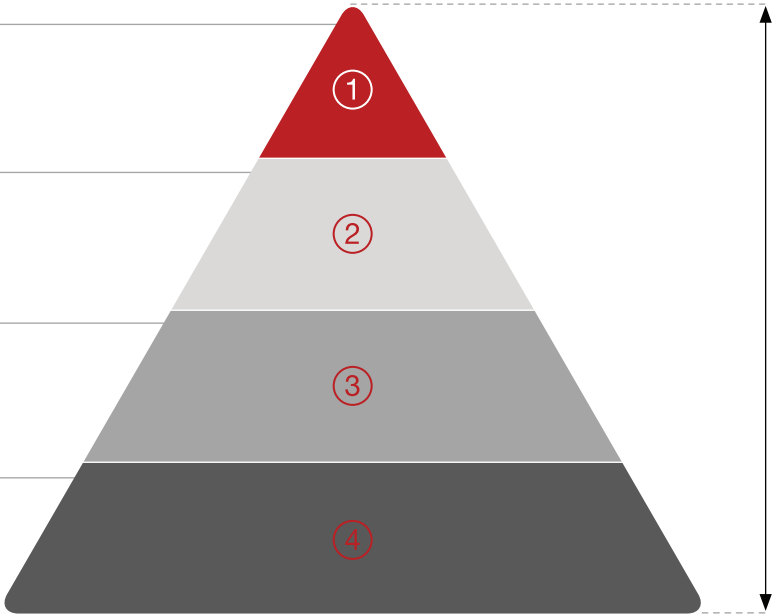
Transfer pricing procedure
Regulatory change procedure
Tax obligation process maps

Tax procedures and controls
Internal review process

④ Tax team procedures

Tax position papers
Peer review policy
Knowledge and records management
Tax training
Tax advice procedure

Engagement with tax authorities
Engagement with external tax advisors
Engagement with ADCB board
Engagement with management



Tax control framework
Central to the tax control framework is the ADCB Group tax policy. The policy sets out how ADCB Group identifies and manages tax risks to ensure compliance with all relevant tax legislation.

Tax transparency

ADCB Group’s tax control framework

The tax control framework comprises all processes and controls for each tax of ADCB Group’s tax obligations and how they are continuously monitored and reviewed to ensure they are fit for purpose. ADCB Egypt, as a subsidiary of ADCB Group, it follows the ADCB Group Tax Policy that applies to the entire Group including all executive and non-executive directors, employees, contractors, and consultants. It is followed with respect to all worldwide taxes, including indirect taxes such as VAT and direct taxes such as Corporate Tax and Withholding Tax. ADCB Egypt’s approach to tax risk management is founded on the key principles outlined below.

ADCB Group tax policy

The ADCB Group Tax Policy sets out how ADCB Group identifies and manages tax risk to ensure compliance with all relevant tax legislation. ADCB Group, including ADCB Egypt’s approach to tax risk management is founded on the following key tax principles:

- ADCB Group will be in full compliance with the tax laws
- ADCB Group will maintain a robust Tax Control Framework
- ADCB Group will not engage in unacceptable tax planning
- ADCB Group will use the arm’s length tax transfer pricing principles to set transactions between related parties
- ADCB Group will maintain a constructive working relationship with tax authorities

Full compliance with tax laws

ADCB Egypt is committed to achieving proper compliance with all applicable tax obligations. ADCB Egypt ensures that tax authorities receive complete, accurate, and reliable information that complies with the relevant legislation and is submitted in a timely manner. Similar to ADCB Group, ADCB Egypt refrains from adopting tax positions that clearly contradict tax laws or administrative practices in the respective jurisdictions.

ADCB Egypt continually monitors the potential impact of new legislation, judicial pronouncements and administrative practices in assessing the impact on operations, transactions, and tax compliance obligations.

Maintenance of a robust tax control framework

Within the framework of ADCB Group’s risk management accountabilities, ADCB Egypt manages tax risk by enforcing strict protocols that control the types of transactions it engages in and the associated tax risks. ADCB Egypt maintains a vigilant approach to identifying and mitigating potential tax risks in its operations.

By adhering to the same concepts as ADCB Group, ADCB Egypt ensures that its tax control framework is aligned with the highest standards. This approach helps ADCB Egypt to effectively manage tax risks and maintain compliance with applicable tax laws and regulations. ADCB Egypt’s commitment to maintaining a robust Tax Control Framework underscores its dedication to responsible tax practices and transparency in its tax affairs.

Tax planning

ADCB Egypt prudently manages and organises its affairs in accordance with applicable tax legislation and regulations, ensuring that transactions align with the spirit of the law. Further, ADCB Egypt does not:

- Engage in tax evasion: the Bank takes appropriate action against any employee involved in facilitating tax evasion.
- Provide tax advice to third parties or promote tax avoidance to its customers.

ADCB Egypt has implemented strict internal policies and procedures to combat financial crimes, including tax evasion.

Use of arm’s length tax transfer pricing principles

ADCB Egypt adheres to arm’s length tax transfer pricing principles in all intra-group transactions, ensuring that transfer pricing outcomes align with value creation and avoiding artificial profit shifting to low-tax jurisdictions. ADCB Egypt demonstrates transparency by disclosing and discussing significant uncertainties in tax matters, providing timely information in response to tax authority inquiries, and working collaboratively to resolve tax issues.

Maintaining a constructive working relationship with tax authorities

ADCB Egypt proactively works with the Egypt Tax Authority to establish a constructive working relationship based on transparency, mutual trust and cooperation. To this end, ADCB Egypt:

- Is fully transparent in disclosing and discussing significant uncertainties in relation to tax matters
- Provides all relevant information to the Egypt Tax Authority questions and enquiries in a timely manner
- Works openly and collaboratively to resolve any tax issues
- Engages in a cooperative, supportive and professional manner

Tax transparency

Roles and responsibilities

ADCB Egypt follows the same roles and responsibilities outlined in ADCB Group's Tax Policy. The Tax Strategy for ADCB Egypt is meticulously formulated and approved by the Chief Financial Officer (CFO), Managing Director, and CEO of ADCB Egypt. This strategy is carefully aligned with national policies, including the guidelines set forth by the CBE, and Egyptian tax laws governing all types of taxes. Moreover, ADCB Egypt's Tax Strategy is designed to align with the instructions provided by the Egyptian Tax Authority, ensuring that ADCB Egypt complies with Egyptian tax laws and tax risk is effectively managed.

Controls

The Head of Tax in ADCB Egypt is responsible for implementing robust internal controls, relevant policies, and procedures to ensure effective tax management within ADCB Egypt. This ensures:

- The timely preparation, review and submission of tax returns and payment of taxes they fall due
- Appropriate and period tax risk assessments are undertaken
- Compliance record keeping is maintained
- Changes in tax laws are updated into relevant policies, procedures and training

As part of ADCB Egypt's tax control framework, tax positions are confirmed with the external auditors based on the tax consultant's feedback. All tax processes are based on the Egyptian tax laws, and they abide by the Ministry of Finance's requirements. All tax returns taken by

ADCB Egypt also undergo inspections by the Egyptian tax authority.

ADCB Egypt maintains robust accounting systems and strong internal controls to support tax compliance and reporting obligations. Periodic reviews of tax financials, processes, and documentation are also performed by ADCB Group Internal Audit to ensure adherence to tax-related requirements.

Future outlook

ADCB Egypt will continue to place great importance on maintaining compliance with evolving tax transparency requirements from regulators. This commitment is crucial to minimising both financial and reputational risks for the Bank and ensuring that it continues to operate with integrity and accountability. ADCB Egypt's commitment to transparency in its tax affairs is a reflection of its broader commitment to responsible corporate behaviour. By upholding these standards, the Bank will continue to build trust with its stakeholders and contribute to the sustainable development of the Egyptian economy.



Data and assurance

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ADCB Egypt ESG KPIs

Scope of reporting

The KPIs included cover our activities undertaken during the 2022 fiscal year (1 January – 31 December 2022), along with historical data on the previous fiscal years (2019, 2020 and 2021), subject to the availability of data. The data presented in this section covers the operations of the Abu Dhabi Commercial Bank Egypt (referred to as ‘ADCB Egypt’), and the performed GHG emissions calculations cover only the head office building.

Restatements of prior reporting

The measurement and reporting of ESG metrics involves a degree of variability in the data due to changes in the data collection process and calculation methodologies. We have highlighted instances of restatements of prior year data 2021, as footnotes to the disclosures within this ‘Data and assurance’ section.

Basis of reporting for GHG metrics

Our reporting methodology for the GHG emissions reported for 2022 (1 January – 31 December 2022) along with historical data on the previous year 2021 is aligned to the guidance in The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. We report GHG emissions in tonnes of carbon dioxide equivalent (tCO₂e), a universal unit of measurement to indicate the global warming potential (GWP) of each of the six greenhouse gases, expressed in terms of the GWP of one unit of carbon dioxide.

Organisational boundary

For 2022 and 2021, our reporting covers the head office building in Al-Mohandessin, Giza, Egypt, which has a gross floor area of 6,600 m² and employs 621 people.

Reporting boundary

We report emissions arising from activities for which we are responsible. Our GHG reporting excludes financed emissions, emissions from employee commute, and third-party sources.



ADCB Egypt ESG KPIs (continued)

Scope 1 GHG emissions

Scope	Emissions from company-owned vehicles, emissions from natural gas consumed in the head office, and emissions from the use of backup generators in the head office.
Method	<p>Fuel consumption by ADCB Egypt-owned vehicles.</p> <p>Volume of fuel burned in owned vehicles has been collected from the Bank's data record system. This volume of fuel consumed is subsequently converted to tCO₂e using the emission factor from the United States Environmental Protection Agency (EPA).</p> <p>Diesel consumption by ADCB Egypt power backup generators</p> <p>Our generators are used in the case of an electricity outage. The volume of diesel consumed (in liters) is converted to tCO₂e using emission factor from the GHG Conversion Factors for Company Reporting (2022) by the UK's Department for Environment, Food and Rural Affairs (DEFRA).</p> <p>Natural gas consumption by ADCB Egypt head office</p> <p>Fuel consumption in (m³) recorded as per the invoices paid to the supplier is converted to tCO₂e using the emission factors from the GHG Conversion Factors for Company Reporting (2022) by the UK's Department for Environment, Food and Rural Affairs (DEFRA).</p>

Scope 2 GHG emissions

Scope	Emissions from electricity consumed by ADCB Egypt at its head office premises.
Method	Electricity consumption was recorded using billed invoices in (kWh) from the utility provider. Egypt-specific grid emissions factor was used as per the "IFI Default Grid Emission Factors" (2021) by the United Nations Framework Convention on Climate Change (UNFCCC)

ADCB Egypt ESG KPIs (continued)

Scope 3 GHG emissions

Scope	<p>Emissions from the following sources have been included,</p> <ul style="list-style-type: none"> > Business travel undertaken by our employees in ADCB Egypt head office (by air) > Business travel undertaken by our employees in ADCB Egypt head office (by road)
Method	<p>The distance travelled in (km) by privately owned or hired vehicles for business purposes was calculated from our expense systems. The tCO₂e from road travel was calculated using emission factors from the United States Environmental Protection Agency, “Greenhouse Gas Emissions from a Typical Passenger Vehicle” (2018).</p> <p>Employee business travel (air)</p> <p>Flight details (based on the origin of travel and destination, including stopovers and connections availed) for business air travel were obtained from our expense systems, and the emissions were calculated using the Carbon Emissions Calculator from the International Civil Aviation Organisation (ICAO)</p>

Basis of reporting for HR metrics

Gender pay ratio

Scope	Ratio of salary and remuneration by gender for our full-time employees
Reporting boundary	ADCB Egypt, excluding outsourced employees. CEO pay is excluded from the calculation.
Method	The gender pay ratio is calculated as the ratio of median male to median female gross salary. Salary is considered as the monthly total pay in EGP (including fixed pay, social allowance, and job-based allowances as applicable).

ADCB Egypt ESG KPIs: Climate

1. Strategic Priority: Climate

Sustainable finance portfolio category (EGP Mn) ⁽¹⁾	Value of credit facility/bond	
	2021	2022
Green and social loans	-	4,358
Sustainability-linked loans	-	-
Sustainable/green bonds (invested in)	-	-
Total	-	4,358

Value of loan portfolio ¹ to sectors with environmental benefit – EGP MN	Value of credit facility 2022
Renewable energy	121.6
Sustainable water and wastewater treatment	430
Environmentally sustainable management of natural resources and land	687
Clean transport	261.1
Sustainable infrastructure	2,319.4
Total	3,819.1

Value of loan portfolio ¹ to sectors with social benefit – EGP MN	Value of credit facility 2022
Healthcare, education, and infrastructure projects	403.8
Loans to SMEs, microfinance and entrepreneur clients	95
Digitalisation, communications and information technologies	40.1
Total	538.9

1.1. Sustainable Finance Portfolio

Portfolio exposure across different sectors as of Dec 2022	Amount (EGP)	Portfolio weight (%)
Manufacturing	8,806,132,312.29	28.04 %
Retail	7,941,223,402.66	25.29%
Constructions	4,093,144,802.49	13.03%
Trade	3,701,508,502.94	11.79%
Finance	3,059,471,381.99	9.74%
Service	2,203,657,204.69	7.02%
Energy	1,124,480,667.08	3.58%
Agriculture	474,766,065.67	1.51%
Total	31,404,384,339.81	100.00%

(1) The value of the portfolio as a total monetary value based on 'on-balance sheet' assets as at 31 December 2022

ADCB Egypt ESG KPIs: Climate (continued)

1.3. Net Zero Operations

Disclosure metrics: Energy consumption

	2021	2022
Within the organisation		
Energy Intensity (GJ/FTE) ⁽¹⁾	15.3 ⁽²⁾	16.6
Total Energy Consumption (GJ)	10,099	10,339
Total electricity consumption (kWh)	1,298,981	1,406,602
Total petrol consumption (liters)	11,453	13,531
Total diesel consumption (liters)	-	200
Natural gas consumption (m³)	128,692	124,276
“Outside the organisation” ⁽³⁾	12,739	5,317
Total energy consumption (GJ)	458	5,317
Total fuel consumption for employee business travel by road (liters)	13,669 ⁽⁴⁾	158,658

Disclosure metrics: Greenhouse Gas (GHG) emissions

	2021	2022
GHG Emissions Intensity (tCO ₂ e/FTE)	1.44	1.71
Total GHG Emissions (tCO ₂ e)	1,714	1,449
Scope 1 (tCO ₂ e)	365	283
Scope 2 (tCO ₂ e)	554	779
Scope 3 (tCO ₂ e)	52	387
Employee business travel (road) (tCO ₂ e)	47	369.4
Employee business travel (air) (tCO ₂ e)	5	17.3

(1) Restated to account from energy from natural gas consumption which was not accounted for in the last report.

(2) This figure has been restated from the previous year to account for energy from natural gas consumption which was not accounted for in the last report. Furthermore, updated fuel to energy conversion (21) factors have been used to allow for consistency and comparability with this reporting period's data.

(3) Total energy consumption outside the organisation is limited to fuel consumption from employee business travel by road.

Disclosure metrics: Water consumption

	2021	2022
Water consumption within the organisation (Megaliters)	13.4	12.1
Water intensity (m³/FTE)	20.9	10.2

Disclosure metrics: Electronic Waste

	2019	2020	2021	2022
Total electronic waste (kg)	0	0	0	0
Total electronic waste recycled (kg)	0	0	0	0

1.4. Green procurement and supply chain

Disclosure metrics: Spent on local suppliers

	2019	2020	2021	2022
Percentage of the procurement budget spent on local suppliers (%)	99%	99%	99%	76% ⁽⁵⁾

(4) Includes employee business travel by rented cars. The figure has been recalculated using an updated fuel efficiency factor to allow for consistency and comparability with this reporting period's data.

(5) The reduction between 2021 & 2022 happened due to the rebranding and the implications of the financial crisis, floatation, and devaluation of the Egyptian pound.

ADCB Egypt ESG KPIs: Customers and Communities

2.1 Customer Satisfaction

Disclosure metrics: Customer complaints

	2021	2022
Total number of customer complaints recorded (#) ⁽¹⁾	1,475	1,664
Total number of complaints recorded per 1,000 customers (#)	1.48	1.66

Disclosure metrics: Accounts to unbanked or under banked customers

	2022
Total number of PWD accounts (#) ⁽²⁾	201

Disclosure metrics: Financial literacy

	2021	2022
Number of participants in financial literacy initiatives ⁽³⁾	5,000	7,000

Disclosure metrics: Loans to promote small business (microenterprise and SME)

	2020	2021	2022
Total number of micro-enterprise customers (#)	15	18	21
Credit facilities extended to micro enterprises (EGP Mn)	3,922	79,724	435,373
Total number of SME customers (#)	391	442	517
Credit facilities extended to SMEs (EGP Mn)	1,498,224	2,301,452	3,412,966
Lending portfolio financing micro enterprises and SMEs(%) ⁽⁴⁾	9.2%	14.1%	20.97%

(1) We have restated prior year data (2019-2021) as a result of changes in our data collection and calculation methodology.
(2) PWD accounts are included in the total number of Financial inclusion opened accounts
(3) Reported based on email open rate
(4) Percentage of total book as at 31 December of the respective reporting year

ADCB Egypt ESG KPIs: Customers and Communities (continued)

2.3 Digital and innovation

Disclosure metrics: Digital channels for customer engagement

	2020	2021	2022
Number of internet banking subscribers (#) ⁽¹⁾	5,255	20,020	33,564
Number of mobile banking app subscribers (#)	5,255	20,020	35,844

Disclosure metrics: Digital transactions

		2020	2021	2022
Percentage of digital transactions (%)	Retail customers	4%	60%	80%
	Corporate customers	1%	2%	11%
Total number of transactions by channel (# mn)				
Online transactions	Retail customers	736	49,973	61,022
Mobile transactions		736	49,973	61,022
SMS banking transactions		-	-	-
WhatsApp transactions		-	-	-
ATM transactions		430,200	531,017	761,440
Branch transactions		180,000	193,162	100,185

2.4 Community investments

Disclosure metrics: Direct community investments

	2021	2022
Total direct community investments (EGP Mn)	5,000	8,427
Donations (EGP '000)	5,000	8,427
Sponsorships (EGP '000)	0	0
Community investments as a percentage of revenues (%)	1.5	0.04

(1) We have restated prior year data (2019–2021) as a result of changes in our data collection and calculation methodology

ADCB Egypt ESG KPIs: Employees

3.1 Employee engagement and wellbeing

Disclosure metrics: Employees breakdown by contract

	2019	2020	2021	2022
Total number of employees	1,089	1,070	1,093	1,182
Full-time employees ⁽¹⁾	1,089	1,070	1,093	1,182
Part-time employees	-	-	-	-
Contractors/consultants	-	-	-	-
Workers who are not employees and whose work is controlled by the organisation ⁽²⁾	-	-	-	-

Strategic Priority: Employees

Disclosure metrics: Full time employees breakdown by gender

	2019	2020	2021	2022
Male	786	751	761	807
Female	303	319	332	375
Percentage of female employees (%)	28%	30%	30%	32%

Disclosure metrics: New employee hires

		2019	2020	2021	2022
Total new hires (#)		182	133	191	237
New hires by age (#)	Under 25 years	22	11	45	67
	25–34 years	93	65	98	123
	35–45 years	46	49	43	40
	Over 45 years	21	8	5	7
New hires by gender (#)	Male	147	94	130	154
	Female	35	39	61	83

(1) Includes temporary employees on a full time basis
(2) These workers include outsourced staff with yearly contract deployed on the following: direct sales of loans and credit cards, collections, sales support (Coordination and MIS) and operational activities (credit administration, MIS, marketing, document verification, property officers, maintenance officers)

ADCB Egypt ESG KPIs: Employees (continued)

Disclosure metrics: Employee turnover

		2019		2020		2021		2022	
		#	%	#	%	#	%	#	%
Total employee turnover (voluntary and involuntary)		256	23.5%	152	14.2%	168	15.4%	148	12.5%
Employee turnover (voluntary and involuntary) breakdown:									
Turnover by age	Under 25 years	13	1.2%	3	0.3%	4	0.4%	8	0.7%
	25–34 years	158	14.5%	75	7%	90	8.2%	71	6%
	35–45 years	55	5%	57	5.3%	56	5%	52	4.4%
	Over 45 years	30	2.8%	17	1.6%	18	1.6%	17	1.4%
Turnover by gender	Male	199	25%	129	17%	119	16%	106	13%
	Female	57	19%	23	7%	49	15%	24	11%

ADCB Egypt ESG KPIs: Employees (continued)

Disclosure metrics: Organisational Health Index (OHI) survey

	2022
OHI score	71
Employee response rate (%)	85%

3.2. Learning and development

Disclosure metrics: Training hours (breakdown)

		2019		2020		2021		2022	
		Total training hours	Average hours per employee	Total training hours	Average hours per employee	Total training hours	Average hours per employee	Total training hours	Average hours per employee
Total training hours (#)		34,400	33	19,758	65	59,917	55	60,750	51
By gender	Male	23,545	30	13,838	61	34,340.5	45	38,215	47
	Female	10,855	36	5,920	69	25,576	77	22,535	60
By employee category	Senior management	155	1	253	21	883	55	573	34
	Middle management	2,036	2	6,037	27	6,191	33	4,195	33
	Non-management	32,209	31	13,468	16	51,181	61	55,982	54

ADCB Egypt ESG KPIs: Employees (continued)

Disclosure metrics: Total expenditure on employee training

	2021	2022
Total training expenditure (EGP '000)	6,007	7,826
Training expenditure per employee (EGP/FTE)	5,496	6,938

Disclosure metrics: Performance reviews

		2019	2020	2021	2022
Total employees who received a regular performance and career development review during the reporting period (%)		97%	97%	94%	90%
Employee category (Number)	Senior management	8	11	14	16
	Middle management	202	234	228	251
	Non-management	806	760	743	54
By gender (Number)	Male	761	735	726	723
	Female	293	305	305	338

3.4 Equality, diversity and inclusion

Disclosure metrics: Employee diversity

		2019	2020	2021	2022
Employees by age (%)	Under 25 years	4.1%	2.0%	3.8%	5.2%
	25-34 years	48.4%	46.8%	44.1%	44.5%
	35-45 years	29.4%	31.4%	31.9%	29.9%
	Over 45 years	18.1%	19.8%	20.2%	20.4%
Employee by gender (%)	Male	72%	70%	70%	68%
	Female	28%	30%	30%	32%
Employee by category and gender: Entry and mid-level positions (%)	Male	99.1%	98.5%	98.3%	98.4%
	Female	99.7%	99.4%	99.1%	98.9%
Employee by category and gender: Senior and executive level (%)	Male	0.9%	1.5%	1.7%	1.6%
	Female	0.3%	0.6%	0.9%	1.1%

ADCB Egypt ESG KPIs: Employees (continued)

Disclosure metrics: Parental leave

	2019	2020	2021	2022
Female employees that took maternity leave (#)	24	24	22	23
Female employees who returned to work after maternity leave ended (#)	20	18	16	23
Female employees returned from maternity leave who were still employed twelve months after returning to work (retention) (#)	14	20	18	11
Return to work rate (%) ⁽¹⁾	83%	75%	73%	100%
Retention rate (%) ⁽²⁾	58%	83%	82%	69%

Disclosure metrics: Gender pay ratio (median male to median female salary)⁽³⁾

	2019	2020	2021	2022
Overall (ratio)	1.08	1.15	1.15	1.07
Senior management	1.03	1.31	1.18	1.01
Middle management	1.07	0.94	0.98	1.01
Non-management	1.15	1.21	1.29	1.18

(1) Female employees who returned to work after parental leave ended

(2) Female employees who returned from parental leave and were still employed twelve months after returning to work

(3) This disclosure has been verified by a third-party assurance provider for the 2022 reported data: Gender Pay Ratio. Refer to basis of reporting for more details

Disclosure metrics: Wages and benefits

	2021	2022
Total salaries and benefits paid to employees (EGP '000)	364,817	433,301

Disclosure metrics: Employee grievances

	2019	2020	2021	2022
Grievances filed in the reporting period (#)	77	27	18	19
Grievance addressed or resolved in the reporting period (#)	77	27	18	19

Disclosure metrics: People of determination

	2019	2020	2021	2022
Total number of people of determination employed (#)	1	0	6	6

ADCB Egypt ESG KPIs: Governance

Strategic Priority: Governance

4.1. Corporate governance, compliance and code of conduct

Disclosure metrics: Composition of the Board of Directors	2020	2021	2022
Total number of Board of Directors (#)	7	6	8
Total number of independent Board members (#)	0	0	1
Total number of executive members of the Board (#)	1	1	2
Percentage of independent board members (%)	0	0	12.5%
Board composition by gender (%)			
Male	100%	100%	87.5%
Female	0%	0%	12.5%
Board composition by age group ⁽¹⁾ (%)			
Less than 25 years	0	0	0
25-34 years	0	0	0
35-45 years	14.2%	16.7%	12.5%
Above 45 years	85.5%	83.3%	87.5%
Board training			
	2021	2022	
Total hours of training for Board members (number)	2	2.5	

Disclosure metrics: Monetary losses as a result of non-ethical business practices

	2021	2022
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 (EGP)	0	0

Disclosure metrics: Whistleblowing cases

	2022
Total number of whistleblowing cases filed in the reporting period (#)	0
Total number of whistleblowing cases addressed or resolved in the reporting period (#)	0
Percentage of whistleblowing cases that were substantiated (%)	0

(1) 2021 figures have been restated due to an identified error in our 2021 ESG Report.

ADCB Egypt ESG KPIs: Governance (continued)

4.2 Risk management and cybersecurity

Disclosure metrics: Training on data privacy/information security

	2021	2022
Percentage of employees formally trained on information security, data privacy and protection (%) ⁽¹⁾	100%	100%

Disclosure metrics: Card-related fraud

	2019	2020	2021	2022
Amount of fraudulent transaction activity (total value of account holder transactions refunded to account holders due to fraud) (EGP) ⁽¹⁾		Not material		

4.3. Financial crime and anti-corruption

Disclosure metrics: Legal cases regarding corruption

	2021	2022
Number of public legal cases regarding corruption brought against the organisation or its employees during the reporting period (#)	0	0

Disclosure metrics: Employee acknowledgement on Code of Conduct/anti-corruption policy

	2019	2020	2021	2022
Percentage of workforce who have formally acknowledged compliance with the Employee Code of Conduct/anti-corruption policy (%)	100%	100%	100%	100%

Disclosure metrics: Employee training on anti-corruption

	2019	2020	2021	2022
Percentage of workforce formally trained on the anti-corruption/bribery policy (%)	78%	97%	90%	100%

Disclosure metrics: Communication on anti-corruption policy to the Board

	2020	2021	2022
Percentage of Board of Directors that the organisation's anti-corruption policies and procedures have been communicated to (%)	100%	100%	100%

Disclosure metrics: Anti-corruption policies and procedures in the supply chain

	2021	2022
Percentage of business partners that the organisation's anti-corruption policies and procedures have been communicated to (%)	100%	100%

4.4. Tax transparency

Disclosure metrics: Tax

	2019	2020	2021	2022
Corporate income tax paid on cash basis				
Total income tax expense (EGP Mn)	32.1	53.6	59.4	68.6
Corporate income tax accrued on profit/loss split by jurisdiction				
Total income tax expense (EGP Mn)	28.0	57.7	86.4	127.7

(1) 2021 figures have been restated due to an identified error in our 2021 ESG Report.

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
B2B	Business-to-business
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
DOH	Days of Inventory on Hand
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
IT	Information Technology

Abbreviations and acronyms (continued)

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
MD	Managing Director
MENA	Middle East and North Africa
MN	Million
MSA	October University for Modern Sciences and Arts
MW	Megawatt
NGFS	Network for Greening the Financial System
NID	National Identity Document
NPS	Net Promoter Score
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

GRI context index

GRI Standard	Indicator and disclosure	Disclosure/reference to report page numbers
GRI 1: Foundation 2021		
General disclosures		
GRI 2: General Disclosures 2021		
1. The organisation and its reporting practices	2-1 Organisational details	4-6
	2-2 Entities included in the organization’s sustainability reporting	91
	2-3 Reporting period, frequency and contact point	3
	2-4 Restatements of information	91
	2-5 External assurance	117
2. Activities and workers	2-6 Activities, value chain and other business relationship	4-6 (see ref. 1)
	2-7 Employees	97
	2-8 Workers who are not employees	97
	2-9 Governance structure and composition	20, 78
3. Governance	2-10 Nomination and selection of the highest governance body	81
	2-11 Chair of the highest governance body	20, 78
	2-12 Role of the highest governance body in overseeing the management of impacts	20
	2-13 Delegation of responsibility for managing impacts	20
	2-14 Role of the highest governance body in sustainability reporting	20
	2-15 Conflicts of interest	80
	2-16 Communication of critical concerns	71, 81
	2-17 Collective knowledge of the highest governance body	80, (see ref. 6)
	2-18 Evaluation of the performance of the highest governance body	81
	2-19 Remuneration policies	(see ref. 2)
	2-20 Process to determine remuneration	(see ref. 2)
	2-21 Annual total compensation ratio	(see ref. 2)

GRI Standard	Indicator and disclosure	Disclosure/reference to report page numbers
4. Strategy, policies and practices	2-22 Statement on sustainable development strategy	10
	2-23 Policy commitments	11, 25, 26
	2-24 Embedding policy commitments	20
	2-25 Processes to remediate negative impacts	20, 78
	2-26 Mechanisms for seeking advice and raising concerns	78
	2-27 Compliance with laws and regulations	(see ref. 3)
5. Stakeholder Engagement	2-28 Membership associations	(see ref. 11)
	2-29 Approach to stakeholder engagement	21
	2-30 Collective bargaining agreements	(see ref. 3)
GRI 3: Material Topics 2021		
Disclosures on material topics	3-1 Process to determine material topics	22, 23
	3-2 List of material topics	23

Material topics		
Environmental topics		
Sustainable finance		
GRI 103: Material Topics 2021	3-3 Management of material topics	40-42
Non GRI Topic-Specific Disclosure	Sustainable finance portfolio	93
Environmental and social risk management		
GRI 103: Management Approach 2016	3-3 Management of material topics	40-42
Non GRI Topic-Specific Disclosure	Commercial and industrial credit exposure, by industry	93

GRI content index (continued)

GRI Standard	Indicator and disclosure	Disclosure/reference to report page numbers
Net zero operations		
GRI 3: Material Topics 2021	3-3 Management of material topics	46-48
GRI 302: Energy 2016	302-1 Energy consumption within the organization	94
	302-2 Energy consumption outside of the organization	94
	302-3 Energy intensity	48
	302-4 Reduction of energy consumption	94
	302-5 Reductions in energy requirements of products and services	40-42 (see ref. 4)
GRI 303: Water and Effluents 2018 (Management approach disclosures)	303-1 Interactions with water as a shared resource	48
	303-2 Management of water discharge-related impacts	48
GRI 303: Water and Effluents 2018 (Topic specific disclosure)	303-3 Water withdrawal	48
	303-4 Water discharge	48, (see ref. 5)
	303-5 Water consumption	48
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	47, 94
	305-2 Energy indirect (Scope 2) GHG emissions	47, 94
	305-3 Other indirect (Scope 3) GHG emissions	47, 94
	305-4 GHG emissions intensity	47, 94
	305-5 Reduction of GHG emissions	40, 47, 94
	305-6 Emissions of ozone-depleting substances (ODS)	(see ref. 6)
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	(see ref. 6)
GRI 306: Waste 2020 (Management approach disclosures)	306-1 Waste generation and significant waste-related impacts	48
	306-2 Management of significant waste-related impacts	48
GRI 306: Waste 2020 (Topic specific disclosure)	306-3 Waste generated	48, 94
	306-4 Waste diverted from disposal	(see ref. 6)
	306-5 Waste directed to disposal	(see ref. 6)

GRI Standard	Indicator and disclosure	Disclosure/reference to report page numbers
Green procurement and supply chain		
GRI 3: Material Topics 2021	3-3 Management of material topics	49-50
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	50, 94
Social Indicators		
Customer satisfaction		
GRI 3: Material Topics 2021	3-3 Management of material topics	52-54
Non GRI Topic-Specific Disclosures	NPS scores recorded by the bank	(see ref. 6)
	Total number of customer complaints recorded	52, 95
	Total number of complaints recorded per 1,000 customers	95
Financial inclusion		
GRI 3: Material Topics 2021	3-3 Management of material topics	56-61
Non GRI Topic-Specific Disclosures	Total number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	95
	Number of participants in financial literacy initiatives	95
	Total number and value of loans outstanding qualified to programmes designed to promote small business and community development	112
	Total number and value of past due and non-accrual loans qualified to programmes designed to promote small business and community development	112
	Total number and value of loans to small business	95
	Percentage of total lending to small business	95
	Percentage of revenues from lending to small business	95

GRI content index (continued)

GRI Standard	Indicator and disclosure	Disclosure/reference to report page numbers
Digital & Innovation		
GRI 3: Material Topics 2021	3-3 Management of material topics	62-65
Non GRI Topic-Specific Disclosures	Total number of internet banking subscribers	96
	Total number of mobile banking app subscribers	96
	Percentage digital transactions by customers (Retail and Corporate)	96
	Total number of transactions by channel	96
Community investments		
GRI 3: Material Topics 2021	3-3 Management of material topics	66-68
GRI 203: Indirect Economic Impact 2016	203-1 Infrastructure and services supported	68 (see ref. 7)
	203-2 Significant indirect economic impacts	68 (see ref. 7)
Employee engagement and well-being		
GRI 3: Material Topics 2021	3-3 Management of material topics	70-72
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	97, 99
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	(see ref. 2)
	401-3 Parental leave	101
GRI 403: Occupational health and safety 2018 (Management approach disclosures)	403-1 Occupational health and safety management system	70
	403-2 Hazard identification, risk assessment, and incident investigation	70
	403-3 Occupational health services	70
	403-4 Worker participation, consultation, and communication on occupational health and safety	70
	403-5 Worker training on occupational health and safety	70
	403-6 Promotion of worker health	70
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	70

GRI Standard	Indicator and disclosure	Disclosure/reference to report page numbers
GRI 403: Occupational health and safety 2018 (Topic-specific disclosure)	403-8 Workers covered by an occupational health and safety management system	70 (see ref. 8)
	403-9 Work-related injuries	70
	403-10 Work-related ill health	70
Learning and development		
GRI 3: Material Topics 2021	3-3 Management of material topics	73-75
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	99
	404-2 Programs for upgrading employee skills and transition assistance programs	73-75
	404-3 Percentage of employees receiving regular performance and career development reviews	100
Equality, diversity and inclusion		
GRI 3: Material Topics 2021	3-3 Management of material topics	76
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of Governance bodies and employees	100, 102
	405-2 Ratio of basic salary and remuneration of women to men	101
Governance topics		
Corporate governance, compliance and Code of Conduct		
GRI 3: Material Topics 2021	3-3 Management of material topics	78-81

GRI context index (continued)

GRI Standard	Indicator and disclosure	Disclosure/reference to report page numbers
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	102, 103
Non GRI Topic-Specific Disclosures	Total number of Board of Directors	102
	Total number of independent Board members	102
	Total number of executive members of the Board	102
	Composition of the Board of Directors broken down by gender and age	102
	Total hours of training for Board members	102
	Total number of whistleblowing cases (filed, addressed or resolved) in the reporting period	102
	Percentage of whistleblowing cases that were substantiated	102
Risk management and cybersecurity		
GRI 3: Material Topics 2021	3-3 Management of material topics	82-84
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	(see ref. 2)
Non GRI Topic-Specific Disclosures	% of employees formally trained on Data Protection & Privacy	103
	Amount of fraudulent transaction activity (total value of account holder transactions refunded to account holders due to fraud)	103
Financial crime, anti-bribery and corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	85
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	85
	205-2 Communication and training about anti-corruption policies and procedures	103
	205-3 Confirmed incidents of corruption and actions taken	(see ref.10)

GRI Standard	Indicator and disclosure	Disclosure/reference to report page numbers
Tax transparency		
GRI 3: Material Topics 2021	3-3 Management of material topics	86-88
GRI 207: Tax 2019 (Management approach disclosures)	207-1 Approach to tax	86-88
	207-2 Tax governance, control, and risk management	86-88
	207-3 Stakeholder engagement and management of concerns related to tax	87
GRI 207: Tax 2019 (Topic specific disclosure)	207-4 Country-by-country reporting	103

GRI context index (continued)

Ref #	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	Not reported due to confidentiality constraints
3	We do not hold collective bargaining agreements at ADCB Egypt
4	As a bank, ADCB Egypt is committed to supporting our customers in their transition to a low carbon economy through our financing. We are currently in the process of baselining the impacts of our financing and will disclose our impacts in the future
5	All water that is used by ADCB Egypt is discharged back through the local sewerage services companies
6	Information unavailable as data is currently not monitored. We will continue to enhance our data collection and reporting methodology in the future
7	ADCB Egypt supports the development of the community through infrastructure projects that we finance
8	ADCB Egypt's Health & Safety policy covers all full-time employees
9	Our HR practices comply with the requirements of the Egyptian Labour Law
10	ADCB Egypt has zero tolerance towards bribery and corruption. We adhere to the reporting requirements as mandated by the Central Bank of Egypt
11	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

SASB content index

SASB data table – 2022

SASB topic	SASB sub-topic	Accounting metric	Code	ADCB 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	112
		(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		112
		Number of no-cost retail checking accounts provided to previously unBanked or underBanked customers	FN-CB-240a.3	Financial Inclusion	95
		Number of participants in financial literacy initiatives	NA		95
	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	103
		Description of whistleblower policies and procedures	FN-CB-510a.2		81
	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	93
		Description of approach to incorporation of ESG factors in credit analysis	FN-CB-410a.2		43-45
	Data Security	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	Risk Management and Cybersecurity	82-84
		% of employees formally trained on Data Protection & Privacy	NA		103
Consumer Finance	Data Security	Card-related fraud losses from (1) card-not-present fraud and (2) card-present and other fraud	FN-CF-230a.2	Customer Privacy and Data Security	103
		Description of approach to identifying and addressing data security risk	FN-CF-230a.3		82-84

SASB context index (continued)

SASB data table – 2022

SASB topic	Accounting metric	Category	Unit of measure	Reporting boundary	2022	2021	Material topic
Commercial Banks	Number of loans outstanding qualified to programs designed to promote small business and community development	Quantitative	#	ADCB Egypt	4	-	Community investment
	Amount of loans outstanding qualified to programs designed to promote small business and community development	Quantitative	EGP M	ADCB Egypt	1,592	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	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	Not available	
	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	0	Corporate governance, compliance and Code of Conduct
	Commercial and industrial credit exposure, by industry	Quantitative	EGP M	ADCB Egypt	See table on portfolio exposure on p.99	Not available	Environmental and social risk management
	Number of no-cost retail checking accounts provided to previously unBanked or underBanked customers	Quantitative	#	ADCB Egypt	201	Not available	Financial inclusion
	Number of participants in financial literacy initiatives	Quantitative	# ('000)	ADCB Egypt	7,000	5,000	
	% of employees formally trained on Data Protection & Privacy	Quantitative	%	ADCB Egypt	100	100	Risk management and cybersecurity

SASB context index (continued)

SASB data table – 2022

SASB topic	Accounting metric	Category	Unit of measure	Reporting boundary	2022	2021	Material topic
Consumer Finance	Number of account holders whose information is used for secondary purposes	Quantitative	#	ADCB Egypt	Not available	Not available	Customer privacy and data security
	Amount of fraudulent transaction activity (total value of account holder transactions refunded to account)	Quantitative	EGP	ADCB Egypt	Not material		
Commercial Banks	Number of checking & savings accounts – Small Business	Quantitative	#	ADCB Egypt	Not available	Not available	Financial inclusion
	Value of checking & savings accounts – Small Business	Quantitative	EGP M	ADCB Egypt	Not available	Not available	
	Number of loans – Small Business	Quantitative	#	ADCB Egypt	2,840	1,236	
	Value of loans – Small Business	Quantitative	EGP M	ADCB Egypt	1,592	1,709.3	
Consumer Finance	Number of unique customers with active credit card accounts	Quantitative	#	ADCB Egypt	5,932	Not available	
	Number of credit card accounts	Quantitative		ADCB Egypt	14,897	Not available	

TCFD disclosures

TCFD recommendation	Progress
Governance a. Describe the board’s oversight of climate-related risks and opportunities. b. Describe management’s role in assessing and managing climate-related risks and opportunities.	<p>ADCB Egypt’s Management Executive Committee oversees the implementation of the strategy and reports to the Board of Directors.</p> <p>The Group Board Executive Committee (BEC) is responsible for oversight of the group’s Sustainability Strategy, encompassing climate-related risks and opportunities, and receives an annual update. The BEC updates the full Board of Directors, as required.</p> <p>ADCB Group’s Board Risk Committee (BRC) ensures a robust Environmental and Social Risk Management (ESRM) culture within the Group by delegating responsibilities for decision making and controls to appropriate personnel, units, and committees. BRC approves Group’s ESRM Policy, including climate-related risk appetite statements, and further delegating E&S Risk oversight and management activities as required.</p> <p>Read more on our governance approach, including management’s role, under ADCB Group’s Sustainability Strategy on page 25</p>
Strategy a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning. c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>As per ADCB Group’s ESRM Policy, the Bank will assess the various climate-related risks and opportunities and their impact in the short, medium, and long term and takes this into consideration when developing its strategic commitments.</p> <ul style="list-style-type: none">• Launch ADCB Egypt’s sustainable finance policy• Adding ESG criteria to its credit assessment to incentivize sustainable economies <p>To support implementation of our commitments, climate-related risk appetite statements have been defined. The risk appetite statement is reviewed and approved by ADCB Group’s Board Risk Committee on an annual basis and monitored on a quarterly basis</p> <p>ADCB Group is in the process of running the inaugural climate risk stress test (CRST) to assess the impact of different climate scenarios on customers and their resilience to transition and physical risks. The CRST follows a methodology leveraging the Bank’s existing models to run the scenarios and ECL to determine stressed provision levels.</p> <p>Read more on our climate strategy and approach under ADCB Group’s Sustainability Strategy on page 25</p>
Risk Management a. Describe the organization’s processes for identifying and assessing climate-related risks. b. Describe the organization’s processes for managing climate-related risks. c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	<p>The ESRM Policy establishes the process for identifying and assessing E&S risks and how it integrates into the overall enterprise risk management. This encompasses the definition of E&S risks (incl. physical and transition climate risks) and transmission channels (credit, market, operational, reputational), and a materiality assessment.</p> <p>The process for managing climate-related risks is outlined in our process flow for E&S risk assessment and involves four key steps:</p> <ol style="list-style-type: none">exclusion list screening,restricted list screening,for qualifying transactions an ESG scorecard assessment,and where required enhanced due diligence to mitigate negative impacts <p>This process is supported by sector addendums to provide 1st and 2nd lines of defense with additional guidance for key high risk sectors.</p> <p>Read more on our approach to risk management under Environmental and Social Risk Management on pages 43-45</p>

TCFD disclosures (continued)

TCFD recommendation	Progress
Metrics and Targets <div>a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</div> <div>b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</div> <div>c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</div>	<p>As per the ADCB Group ESRM Policy, our monitoring and reporting covers the following aspects:</p> <ul style="list-style-type: none">Portfolio ViewE&S Scorecard AssessmentsApproval of E&S risk assessment by Management OverrideApproval by Exemption / Exception for Restricted sector and Severe Risk rated transactionsRejected transactionsKey risks / breaches reported as part of account reviewsStress Testing (under development)Net Zero Baseline Reporting (under development) <p>ADCB Group Risk is responsible for tracking these metrics.</p> <p>Operational GHG emissions (covering scope 1,2,3 excl. financed emissions) are reported within this ESG report Under Net Zero Operations on pages 50-52</p> <p>As of 2022 ADCB Egypt doesn't monitor the E&S risk neither having targets, however according to group strategy and CBE directions the bank will integrate them in 2023.</p> <p>ADCB Group have set targets to reduce operational emissions and incorporated these within our risk appetite statement.</p> <p>ADCB Group is in the process of baselining the scope 3 financed emissions in accordance with the established industry PCAF standard.</p> <p>Read more on our approach to metrics and targets on under ADCB Egypt's Progress Against Group's Sustainability Strategy on pages 27-38 and under ADCB Egypt's ESG KPIs on page 93</p>

Limited assurance letter

Introduction and objectives of the engagement

Masader Environmental & Energy Services S.A.E (the ‘Assurance Provider’) has been engaged by 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 2022 (the ‘Report’).

Scope, subject matter, and limitations

The Report’s subject matter is the Reporting Organisation ESG performance data and information for the year ended 31 December 2022. The scope of assurance is limited to a review of the Selected Information listed below:

- ADCB Egypt’s ESG Management
- Stakeholder Engagement
- Materiality Assessment (reviewed the materiality assessment conducted in 2021)

The assurance process was subject to the following limitations and exclusions.

- Verifying the data or information provided by ADCB Egypt stated in the About the Bank section and ADCB Egypt’s CEO & CFO Letters.
- 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 Egypt.

We have not been engaged to:

- Verify any statement indicating the 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, Task-Force on Climate-Related Financial Disclosures (TCFD) 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 preparing the Report in line with the reporting criteria and in accordance with the GRI Standards and for calculating the selected KPIs in accordance with ADCB Group’s “Basis of Reporting.”

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 reporting Organisation’s ESG performance to assess the application of the GRI Standards 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 1: Foundation 2021, 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 against the actual calculation performed to support the figure disclosed in the Report;
- Reviewed the selected KPIs to ADCB Egypt’s internal calculations and supporting documentation;
- Compared the content of the Report against the findings of the outlined procedures.

Limited assurance letter (continued)

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 prepared in case such actions have been undertaken.

Conclusion

Our conclusion has been formed based on and is subject to the matters outlined in this Report. We believe our evidence is sufficient and appropriate to provide a basis for our conclusions. The conclusion on applying 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 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 2022 has not been prepared, in all material respects, in accordance with the GRI Standards, SASB Standards, TCFD 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 Organisation's 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, July 25,2023



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