

Sustainability Report 2022  
**SEIZING OPPORTUNITIES,  
BUILDING RESILIENCE**



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# ABBREVIATIONS



## ABBREVIATIONS

<b>AUMs</b>	Assets Under Management	<b>GEI</b>	Gender Equality Index	<b>SDGs</b>	Sustainable Development Goals
<b>CoP</b>	Communication on Progress	<b>GEMS</b>	Global Education Management Systems	<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>CSR</b>	Corporate Social Responsibility	<b>GHG</b>	Greenhouse Gas	<b>TSFE</b>	The Sovereign Fund of Egypt
<b>ESG</b>	Environmental, Social and Governance	<b>HR</b>	Human Resources	<b>UNGC</b>	United Nations Global Compact
<b>EEP</b>	Egypt Education Platform	<b>IA</b>	Internal Audit	<b>UN PRI</b>	United Nations Principles for Responsible Investment
<b>FEMs</b>	Frontier Emerging Markets	<b>NBFI</b>	Non-banking Financial Institution	<b>WEPs</b>	Women's Empowerment Principles
		<b>RxHM</b>	Rx Healthcare Management		

# CHAIRPERSON'S FOREWORD



## Chairperson's Foreword



For almost 40 years, EFG Hermes has helped its clients and the communities where it operates adapt to the changing world and benefit from new technologies and opportunities. Today, we stand at the cusp of a new transformation. After two years of COVID-19-related uncertainty, humanity faces yet more instability. The challenges that face us today are in many ways unparalleled and daunting – from climate change and natural disasters to rising inflation, supply chain bottlenecks, and the war in Ukraine. In many ways, it feels like a perfect storm; however, it is also true that the tools we have at our disposal today are exceptional.

The transition needed to address the risks of climate change requires a profound commitment that goes beyond lip service from people at all levels, but it falls to financial institutions such as ours to identify the opportunities for impactful investment and intervention. The scale of investment required is immense, and it is imperative that we do not waste scarce financial resources on projects of limited long-term benefit. At EFG Hermes, we pride ourselves on our ability to navigate stormy economic climates by identifying, not just the risks but more importantly, the opportunities. At the same time, we understand the impact of the decisions we make. Our community-level work has made us uniquely aware of just how important the social aspect of sustainability is. The integrated development work undertaken in rural areas by our Foundation for Social Development has provided us with real-world understanding of the impact of the climate crisis and economic stagnation on individuals. Developing resilient systems is critical, and investment is the key to change. It must be the right investment, however. We, not only possess the experience to make those calls, but our diversified scope of activities provides us with the ability to approach challenges simultaneously from different aspects.

Our commitment to clean energy is a prime example of the synergy we offer. On the Private Equity side, Vortex Energy, our award-winning renewable energy investment

platform has a global mandate to invest in clean energy opportunities on behalf of sovereign, institutional, and strategic investors and maintains a firm commitment to clean energy and sustainable finance. Meanwhile, Corp-Solutions, one of our flagship Non-Banking Financial Institutions (NBFI) companies is providing financing mechanisms for renewable energy projects in the agricultural sector, and valU, our award-winning buy-now pay-later (BNPL) platform is helping customers finance solar panels. At the community level, the Foundation is helping migrate 100 schools in Upper Egypt to clean renewable energy. It is this level of multi-faceted commitment to critical issues that will allow us to contribute meaningfully to ensuring the planet is healthy for generations to come.

As always, I thank you for your continued support, and I humbly present you with EFG Hermes' 2022 Sustainability Report.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'M. Zulficar', written in a cursive style.

**MONA ZULFICAR**  
Chairperson

# A NOTE FROM OUR CEO



## A Note From Our CEO



EFG Hermes' purpose is to use the power of finance to unleash potential and create sustainable progress today and for generations to come. As a universal bank with strong local roots in Egypt and significant presence in 13 other countries, many of which are frontier emerging markets (FEMs), we are ideally placed to help our customers build a solid financial foundation by offering exceptional advisory and investment services and financial products supported by some of the most innovative digital solutions on the market. This also means we are in a strong position to make marked progress on the UN's Sustainable Development Goals (SDGs) with the exceptional tools, resources, and capacity for innovation we have at our disposal.

In 2022, climate issues remained at the forefront of global sustainability issues, particularly in light of the COP27 Climate Change Conference held in November in Sharm El Sheikh. As signatories of the United Nations Principles for Responsible Investment (UN PRI) since 2018, EFG Hermes is at the forefront of efforts to champion responsible investment in Frontier Emerging Markets (FEM), particularly when it comes to climate change and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Our approach is to focus on clean energy, both in terms of financing and in terms of deployment. Vortex Energy, our ground-breaking renewable energy investment platform, has been a pioneer in financing the transition to clean energy. Since inception, Vortex Energy has deployed, managed, and harvested capital across three fund vehicles, focusing on efficient portfolio management and maximizing its environmental and social impact.

Elsewhere, our investment portfolio also addresses the fulfilment of other SDGs. Strategic investment in socially critical sectors such as health, education, and pharmaceuticals underscore our commitment to impactful investment. Our investment in education has been particularly significant in 2022 and includes the use of several mechanisms. Our Private Equity division continues to expand the Egypt Education Platform and recently acquired Salah El Telmeez, Egypt's premier provider of educational content, in partnership with the Sovereign Fund of Egypt. Our Investment Banking arm successfully concluded the advisory for CIRA Education's securitization bond offering. On the NBFi front, Corp-Solutions continues to dedicate a significant portion of its portfolio to education-related financing, and valU provides clients with instalment plans that give access to better educational opportunities. At the community level, the EFG Hermes Foundation for Sustainable Development continues its work on pre-school education and teacher training in Upper Egypt as

part of its signature integrated development work and is scaling up its introduction of clean energy for schools both for environmental reasons and to mitigate rising energy costs and free up scarce resources for reinvestment in improved educational offerings.

Our non-bank financial institutions (NBFi) continue to grow from strength to strength, greatly expanding the products we offer, particularly when it comes to supporting and empowering the micro-finance and start-up sectors. Our flagship NBFi brands such as Tanmeyah, PayTabs, valU, and Corp-Solutions provide access to financing and tools that foster financial inclusion and are continuously redefining the market by offering innovative, sustainable solutions to a wide range of clients.

We also continue to improve our reporting and disclosure procedure and to update our policy environment, expanding our ESG policy this year to address our growing NBFi platform and updating our audit and compliance procedures accordingly. In 2022Q1, we also submitted our fourth transparency report as part of our commitment to the UN PRI and renewed our commitment to the United Nations Global Compact (UNGC).

I would like to take this opportunity to express my gratitude to the EFG Hermes team, and particularly the CSR department, for their dedication and commitment to helping us identify opportunities and fulfill our sustainability commitments. I would also like to thank our stakeholders, partners and clients for their faith and support.

The task we face over the coming decades will be to raise enough capital for the investments required to tackle the challenges that face our world. I believe that EFG Hermes possesses the tools and the experience to ensure that this capital is used constructively and allocated towards projects and activities that are socially and environmentally sustainable as well as commercially viable.

As CEO, I am committed to delivering on this promise.

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

Sincerely yours,

**KARIM AWAD**

Group Chief Executive Officer



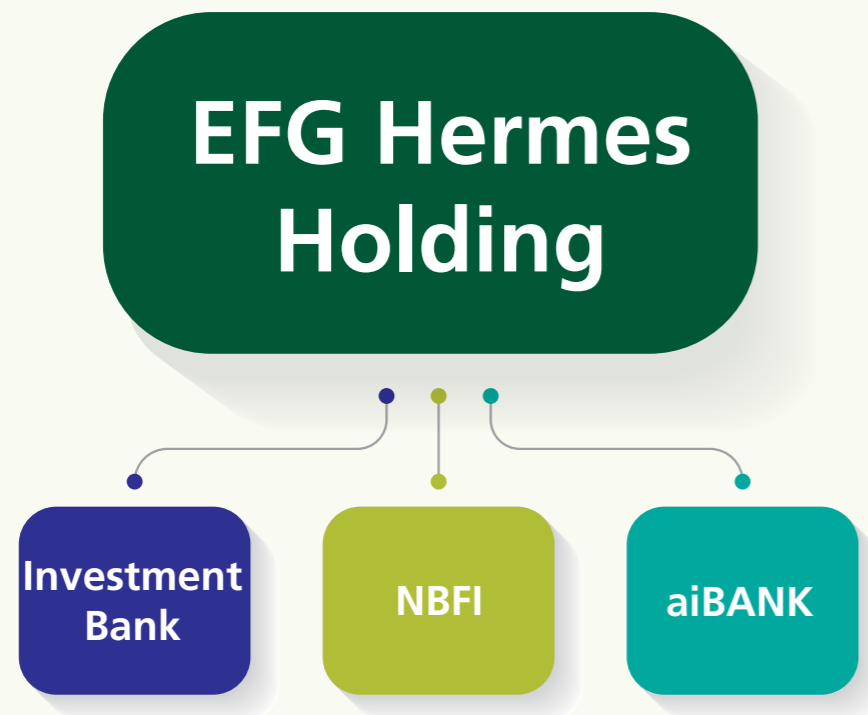
# EFG HERMES HOLDING

## AT A GLANCE



## EFG Hermes Holding at a Glance

After almost 40 years in the business, EFG Hermes Holding continues to be a pioneer in the regions where it operates with its comprehensive suite of financial products. Today, EFG Hermes Holding is a universal bank that offers its client base a comprehensive suite of financial solutions through its three platforms: the Investment Bank, Non-Bank Financial Institutions (NBFI), and aiBANK. Accordingly, the group is perfectly positioned to consistently bring disruptive financial products and services to the market.



13 Countries

4 Continents

75 Global Markets

With an extensive presence in 13 Countries across four continents, the Firm continues to expand its operational footprint not only to match changing dynamics in the market landscape but also to serve the ever-growing needs of its stakeholders. EFG Hermes Holding's holistic business strategy is to bolster its operations through organic growth, strategic mergers, and acquisitions underpinned by its experienced professionals who help investors access compelling global opportunities, offering the full spectrum of asset management, securities brokerage, private equity, and investment banking services, backed by top-ranked research.

# 2022 HIGHLIGHTS



## 2022 Highlights

EFG Hermes is no stranger to awards, regularly receiving recognition for its core business activities and brands. This year, however, also saw EFG Hermes garner several accolades as a sustainability pioneer, and we greatly appreciate that our service and efforts are recognised both by our peers and by regulatory agencies.

EFG Hermes was recognised by the Financial Times and Statista as one of Africa’s Fastest Growing Companies in a testament to the firm’s commitment to impact-driven investment and to creating value for the societies where it operates.

As a firm, we have always taken pride in our Corporate Social Responsibility (CSR) programmes and given them priority both as a duty to the societies around us and as an imperative for long-term sustainability. This year, our efforts were recognised, and we were awarded the Euromoney 2022 Award for Excellence and Market Leaders in the category of Best Bank for Corporate social Responsibility – Egypt.

We are also proud to report that we were recognized by Egypt’s Financial Regulatory Authority (FRA) as Sustainability Champions, and our NBFi subsidiary Corp-Solutions also received the same award in a testament to our diligence in promoting and embedding ESG across all Group activities and programmes.

In 2023Q1, EFG Hermes was also voted runner-up for the Best Corporate Sustainability Strategy and short-listed as finalists for Best Bank for Sustainable Finance by ESG Investing.

We are also immensely proud of the achievements of our executives who have consistently been recognised as outstanding in their fields. Their success reflects our deep commitment to excellence in all areas but particularly in governance, innovation, and the realization of sustainability targets.



EFG Hermes Holding CEO Karim Awad was recognised by several Forbes Middle East as a leader of one of The Middle East’s 30 Biggest Asset Managers 2021. Mr. Awad was also ranked 49 on Gulf Business’s list of 100 Powerful Arabs 2022, in a testament both to his success and to his outstanding leadership of the Group from strength to strength.

We are also excited to share with you that Mona Zulficar, our non-Executive Chairperson of EFG Hermes Holding has received a prestigious award from H.E Egyptian President AbdelFattah ElSisi during the celebration of the Egyptian Women’s Day and Mother of the Year 2022 ceremony. The ceremony was presented under the title ‘Egyptian Women: The Key to Life’.

This year also saw Hanaa Helmy, CEO, EFG Hermes Foundation & Head of CSR, EFG Hermes Holding recognised among the Diligent Modern Governance 100, a world-leading recognition programme of top audit, governance, compliance, ESG, and risk professionals. Diligent is honoured to champion and celebrate those at the forefront of driving the future of modern governance globally. She also received recognition from the International Data Corporation (IDC) as a Female Achiever in the category “CEO Catalysts of the Year.”



# EFG HERMES HOLDING

## 2022 SDG SCORECARD



## EFG Hermes Holding – 2022 SDG Scorecard

The Firm seeks to align itself with the UN Sustainable Development Goals (SDGs), consistently keeping track of how its activities and operations can contribute to realizing individual objectives<sup>1,2</sup>. There are 3 ways by which we contribute to the SDGs: through our work for clients; through internal operations; and through engagement and partnership with others.



1  
NO  
POVERTY



EFG Hermes Foundation integrated development project in Naga' al Fawal and El Deir villages in Upper Egypt (Foundation)

3  
GOOD HEALTH  
AND WELL-BEING



- Rx Healthcare Platform (PE)
- Corp-Solutions health-related portfolio projects (NBFI)
- Support for the Magdi Yacoub Foundation & other critical medical cases (Foundation)
- valU instalment plans for sporting club memberships (NBFI)

4  
QUALITY  
EDUCATION



- Egypt Education Platform (PE)
- Advisory for CIRA Education's securitization bond offering (IB)
- Corp-Solutions education-related portfolio projects (NBFI)
- valU instalment plans for tuition fees (NBFI)
- Montessori nursery and teacher training (Foundation)
- Support for Education Trust Nasra School (Pakistan)

5  
GENDER  
EQUALITY



- Gender-neutral messaging (Media)
- Financial Literacy for Women (Kenya)
- Financial literacy for Youth (NBFI)

6  
CLEAN WATER  
AND SANITATION



- Water & sanitation projects in Upper Egypt (Foundation)
- Advisory on Dubai Electricity and Water Authority's (DEWA) USD 6.1 bn initial public offering (IB)

7  
AFFORDABLE AND  
CLEAN ENERGY



- Vortex Energy (PE)
- Clean energy for 100 schools initiative (Foundation)
- Digital transformation & cloud solutions (IT)
- valU instalment plans on solar panels (NBFI)
- Corp-Solutions financing for clean energy in the agricultural sector (NBFI)

8  
DECENT WORK AND  
ECONOMIC GROWTH



- Tanmeyah Microfinance (NBFI)
- aiBank SME finance (Commercial Bank)
- PayTabs Egypt (NBFI)
- Corp-Solutions SME financing (NBFI)
- EFG Hermes One promotion of ESG themes (Brokerage)

9  
INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



- Engagement with portfolio companies to improve ESG capabilities (Firm-wide)
- Corp-Solutions financing of sustainable infrastructure and transport. (NBFI)

12  
RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



- E-waste recycling initiatives (Firm-wide)
- Paper waste minimization initiatives (Firm-wide)
- Energy-efficiency initiatives (Firm-wide)

13  
CLIMATE  
ACTION



The National Initiative for Green Smart Projects in Governorates (Foundation)

17  
PARTNERSHIPS  
FOR THE GOALS



EFG Hermes prioritises partnership and engagement throughout its operation and particularly the synergistic aspects of public-private partnerships.

<sup>1</sup> While individual projects and initiatives may contribute to several SDGs simultaneously, this table classifies programmes based on the most significant contribution.

<sup>2</sup> PE = Private equity; IB = Investment Banking; NBFI = Non-bank Financial Institution; IT = Information Technology

# APPROACH TO SUSTAINABILITY IN 2022



## Approach to Sustainability in 2022

After two extremely difficult years dominated by the repercussions of the COVID19 pandemic, 2022 has proven no less challenging. Geopolitical crises have further jeopardized supply chains already brought to near breaking point by pandemic disruption, reshaping the global economy and triggering inflation, price volatility and a cost-of-living crisis felt across the world.

Financial institutions such as ours are operating in an environment defined by constant disruption.

One aspect that has become patently clear, however, is that the only way to weather present challenges and safeguard against future global shocks is to build a fair, sustainable system that mitigates the compound effects of successive crises.

At EFG Hermes, our journey towards ESG integration has been steady and measured since we adopted our social purpose in 2014 and expanded our core principles in 2015 to include Public Responsibility in addition to our original 5 Ps: People, Products, Positioning, Presence and Profitability. We are firmly committed to advancing the sustainable development Goals (SDGs) as attested by our continuing commitment to the United Nations Global Compact (UNGC) and the UN Principles of Responsible Investment (PRI).

At all stages, of our journey, the "S" in ESG has been paramount in our approach, particularly given that we operate in frontier and emerging markets (FEMs) where communities are particularly vulnerable to global shocks. This year, we increased our focus on the social aspect of all our initiatives, particularly across our business lines.

### Our Social Purpose

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

### In 2022, we adopted a two-pronged approach to sustainability:

#### 1. Seizing Opportunities

From pioneering education and investment initiatives to innovative financing for renewable energy, EFG Hermes excels in identifying opportunities that address complex real-world challenges in addition to providing attractive returns for our investors.

#### 2. Building Resilience

Sustainability is the only path to building truly resilient businesses and communities. At EFG Hermes, we focus on embedding factors that increase resilience in all our activities, whether internally for our employees, at the community level, or within our investments.





**SEIZING OPPORTUNITIES**





## Seizing Opportunities

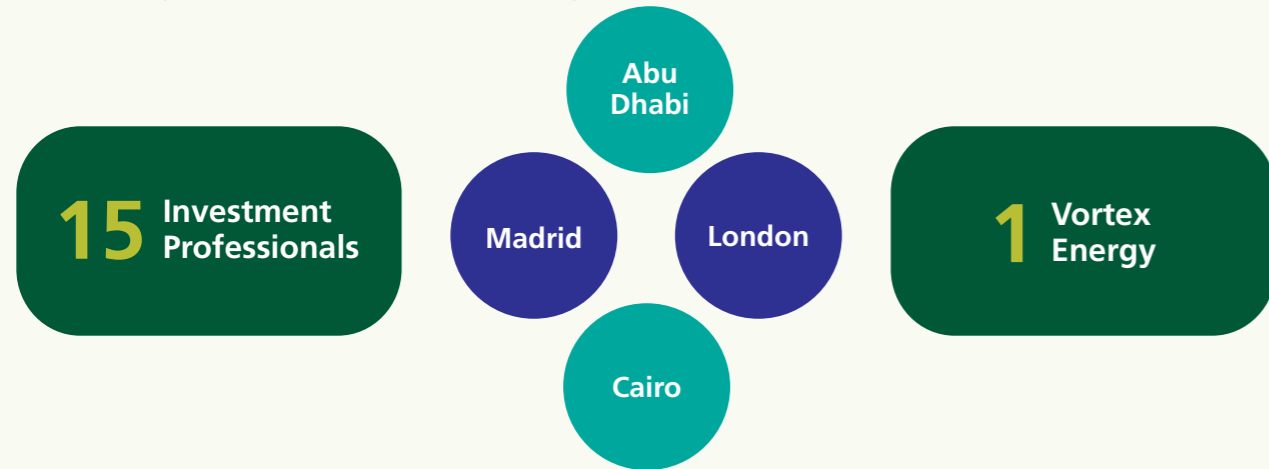
Fostering Innovation & Investing with Impact

EFG Hermes has always been adept at identifying lucrative business opportunities. Now, this expertise is being deployed to identify and foster impactful investments that include a strong sustainability component. Thanks to our investment in Vortex Energy, we consider ourselves at the forefront of efforts to combat climate change through investment in renewable energy infrastructure. We also collaborate with government agencies to convert school buildings to clean solar energy, building on our extensive experience in integrated development. Similarly, in the field of education, we are actively contributing to filling critical gaps in a service that constitutes an intrinsic human right.

On a different level, through our ground-breaking EFG Hermes One platform, we actively encourage investment in stocks that prioritise ESG values, promote inclusion and diversity, and finance renewables and green transformation activities.

## Vortex Energy – At the Centre of the Energy Transition

Vortex Energy is an award-winning renewable energy investment platform and a core pillar within the Private Equity division of EFG Hermes. Formally established in 2015, Vortex Energy has a global mandate to invest in clean energy opportunities on behalf of sovereign, institutional, and strategic investors.



Beyond the sector focus of its investment mandate, Vortex Energy maintains a firm commitment to sustainable and responsible investing. In partnership with EFG Hermes and the entire Private Equity division, Vortex Energy is proud that all its business practices are formulated, evaluated, and executed in accordance with a robust sustainability and ESG strategy that supports the United Nations Global Compact and upholds the United Nations’ Principles for Responsible Investments.

## Awards

EMEA Renewables and Energy Transition Solar Deal of the Year 2021 for the sale of a controlling stake in the 365MW Solar PV portfolio in the UK (Vortex Energy III).



EMEA Finance Achievement Awards The Best Sustainable Private Equity Investment 2021 for the acquisition of a significant stake in IGNIS Energy Holdings.



## Public and private sectors are paving the way for the energy evolution

We are at the forefront of regional and global efforts to advance clean and sustainable energy. Thankfully, the goal has never been more clear: 1.5 degrees centigrade (“1.5°C”). Estimated by a consensus of climate scientists and further agreed by global leaders under the Paris Agreement of 2015, 1.5°C is the preferred maximum temperature rise that can be tolerated if we are to protect ourselves from the greatest consequences of climate change.

To limit the rise of global temperature to less than 1.5°C, we must reduce greenhouse gas (“GHG”) emissions by at least 80% before 2050, but the commitment is now. Furthermore, unless we reduce GHG emissions by at least 50% before 2030, the probability of achieving the 2050 goal is exceedingly unlikely.



In addition to these targets the world is in the middle of an energy crisis following Russia’s invasion of Ukraine that has abruptly disrupted the energy supply in the European continent and implications of which are spread globally. Although the situation continues to unfold with no immediate end in sight, energy security has become ever more important for countries and societies to have access to electricity and avoid energy rationing or blackouts in the upcoming winters.

The public and private sectors have shown tremendous determination to come together to support the energy transition to sustainable alternatives at a faster pace than ever before. Large-scale investment to transform the global energy sector and transition to a low-carbon society is crucial both for security of supply and the climate. For Vortex Energy, this is a call to action and an opportunity for continued leadership. Vortex Energy continues to honour its responsibilities as a global citizen, and its platform demonstrates that its present commitment is unwavering. Importantly, Vortex Energy’s integrated investment platform supports the construction of sustainable infrastructure and the advancement of efficient technologies required to secure our energy future.

## Vortex I, II, III & IV

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

Since inception and up to 2020, Vortex Energy acquired operational renewable energy

generation plants (wind and solar) in continental Europe. Vortex Energy accumulated 822MW of net capacity attributable to its stakes on individual assets across Spain, Portugal, Belgium, France and the United Kingdom. Over their respective holding periods the assets operation was optimised for maximum clean energy generation and were aligned to the latest best industry practices to prolong their expected lifetimes. Vortex Energy delivered 4.6 terawatt hours (“TWh”) of clean energy, which displaced approximately 4.5Mn metric tonnes of carbon dioxide equivalent (“MTCO<sub>2</sub>e”). The assets seeded by Vortex Energy continue to operate today and for the next few decades will continue to save 1.5Mn metric tonnes of carbon dioxide equivalent (“MTCO<sub>2</sub>e”) per year.

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

Vortex Energy is an award-winning renewable energy investment platform and a core pillar within the Private Equity division of EFG Hermes. Formally established in 2015, Vortex Energy has a global mandate to invest in clean energy opportunities on behalf of sovereign, institutional, and strategic investors.

Beyond the sector focus of its investment mandate, Vortex Energy maintains a firm commitment to sustainable and responsible investing. In partnership with EFG Hermes and the entire Private Equity division, Vortex Energy is proud that all its business practices are formulated, evaluated, and executed in accordance with a robust sustainability and ESG strategy that supports the United Nations Global Compact and upholds the United Nations’ Principles for Responsible Investments.

REALIZED

**822<sup>1</sup>**  
**MEGAWATTS**

From investments in Vortex I, II, and III, Vortex Energy delivered:

- **4.6 TWh<sup>3,4</sup> generated** of reliable, low-cost renewable electricity
- **4.5mn MTCO<sub>2</sub>e<sup>1,5</sup> averted** and displaced from bulk electric grids

During the next few decades, these assets are expected to continue to displace an additional >1.0mn MTCO<sub>2</sub>e<sup>2,3</sup> and power an equivalent of more than 100,000 households – every year.

EXPECTED

**>10<sup>1</sup>**  
**GIGAWATTS**

From its first investment in **Vortex IV**, through its portfolio company, Ignis, Vortex Energy anticipates to significantly expand its global impact. In this partnership, Vortex Energy expects to develop, construct, and manage more than 10 GW of renewable energy generation and battery storage assets that will create a net saving of at least **45Mn MTCO<sub>2</sub>e<sup>1,3</sup>** from the electric grids from its first investment alone.

## Vortex IV & IGNIS: A Synergistic Partnership

In October 2021, Vortex IV executed its first investment by entering into a definitive agreement with Ignis Energy Holdings (“Ignis”), the parent company of Ignis Group, a **Spanish independent integrated renewable player**. Through the transaction, Vortex IV will inject over EUR 475Mn into Ignis via a series of capital injections in order to fund its high growth plans for a >20 GW platform and transform it into a fully integrated renewable IPP in Spain and other geographies. To date Ignis supported by Vortex Energy has secured permits for 1.3GW of Solar PV projects, out of which 400MW are under construction in Spain.



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

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

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

<sup>3</sup>Net attributable to Vortex Energy's economic ownership interest.  
<sup>4</sup>1 TWh = 1,000,000 megawatt hours (“MWh”).  
<sup>5</sup>Assumes 990 grams of CO<sub>2</sub>e/MWh

## Electric Vehicles – The race to zero emissions

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

The partnership will support EO's path towards global leadership in EV fleet charging as zero-emission transportation adoption accelerates. This investment exemplifies Vortex Energy's commitment to supporting the energy transition through innovative investments.

'Major investments in charging infrastructure are needed to pave the way for a carbon-neutral world. Vortex is extremely happy to have partnered with EO as one of the leading providers of charging solutions in Europe.'

Karim Moussa  
CEO, Vortex Energy



EO is focused on smart charging solutions for electric car, van, truck, and bus fleets and plans to further expand its fleet charging solutions business in North America and across Europe, whilst maintaining its position as leader in the fast-developing UK market. To date, EO Charging has disbursed more than 80,000 chargers to consumers and businesses worldwide, including Amazon, DHL, Uber, and Tesco.

'The transition to electric vehicles remains one of the most pressing challenges of our generation. Businesses everywhere are under pressure to move to a zero-emission fleet fast and require innovative solutions and trusted suppliers... I'm confident EO is in a strong position for 2023 and beyond.'

Charles Jardine  
Founder & CEO, EO Charging

## Egypt Education Platform – The Right to Quality Education

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



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

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

EEP'S strategic direction relies on 4 key pillars:



### 1 – Innovation

EEP works on enhancing education in Egypt by offering new approaches for students to excel and grow as happy, innovative, compassionate, and responsible citizens of the world.

### 2 – Inclusiveness & Diversity

EEP aims to expand its platform and make quality education more accessible by offering a variety of curricula and facilities suitable for all socio-economic segments.

### 3 – Character-building

EEP provides an emotional and social safe environment where students can express themselves and learn to become responsible individuals.

### 4 – Community-focused

Students are individuals who are part of a collective community and learning to collaborate and work in teams is a core part of their education. Community engagement is a key component of the EEP ethos and includes encouraging families to become involved in daily school life.

## A Commitment to Excellence

The EEP is committed to providing outstanding educational service across all assets. Part of this commitment is by pursuing and maintaining accreditation by leading global and regional accreditation bodies.

These affiliations ensure that the quality of educational offerings by the EEP remains consistent and of an international standard sorely lacking in the region. This also includes affiliation with organizations that support student athletes in achieving their educational and sporting goals. Thanks to these efforts, students at EEP schools consistently out-perform their peers both on a local and on an international level.

Just as the EEP is committed to excellence, it also recognizes and celebrates students who excel by providing scholarships for academic achievement and for co-curricular activities such as creative and performing arts and sports. Academic university awards are also offered for graduates of British international schools.



EEP is also a member of the Global Schools (GS) Program, an initiative of the UN Sustainable Development Solutions Network (SDSN), a global research and policy network launched by the UN Secretary-General to support the implementation of the SDGs and the Paris Climate Agreement. GS is a data-driven and evidence-based international education programme that equips teachers with the knowledge, tools, and resources to promote Education for Sustainable Development (ESD) within their schools and classrooms.

## Sustainability Spotlight

Selah El Telmeez – EdTech Solutions for Affordable, Quality Education

In 2022, EEP acquired a majority stake in SET, Egypt’s premier educational content developer. The Sovereign Fund of Egypt (TSFE), EEP’s anchor investor, also directly acquired an additional minority stake in SET.

Since 1960, Selah El Telmeez has been Egypt’s leading brand in educational content creation and development and the largest publisher of educational books and digital content, amassing an extensive content library backed by 60+ years of experience. It is trusted by millions of families for delivering on learning objectives with a comprehensive library of education content and resources that have helped both students and teachers nation-wide over many years.

Selah El Telmeez complements EEP’s strategic focus on increasing accessibility and inclusiveness of education through state-of-the-art learning technologies. SET has pioneered an engaging digital learning platform for government curricula in the primary stage with an intuitive user experience that empowers students of any skill level to master learning skills and outcomes.

As part of EEP, SET is positioned to accelerate and extend its mission to help students, parents and teachers learn and engage with educational content. Meanwhile, EEP will be positioned to accelerate innovation and play a greater role in driving digital transformation in education, enabling students to tap into best-in-industry content across different stages, make smarter decisions and drive intelligent, connected student experiences.



‘Together we can transform the way students learn and by students we mean students throughout different societal classes across the country – delivering powerful educational content and leveraging the latest digital learning technologies for both better engagement and more insights across all income segments.’

**Ahmed Wahby**  
CEO, Egypt Education Platform

‘Our partnership with EEP will enable us to unlock and accelerate our ambitious plan of expanding our full range of services nationwide and helping more students than ever access our learning solutions.’

**Said Hamdy**  
Co-CEO, Selah El Telmeez

‘This investment complements TSFE’s education investment strategy to provide a wide segment of Egyptians with affordable innovative educational solutions that are intended to support Egyptian students overcome their learning challenges.’

**Ayman Soliman**  
CEO, The Sovereign Fund of Egypt

## EFG Hermes One – Turning Investing into Impact

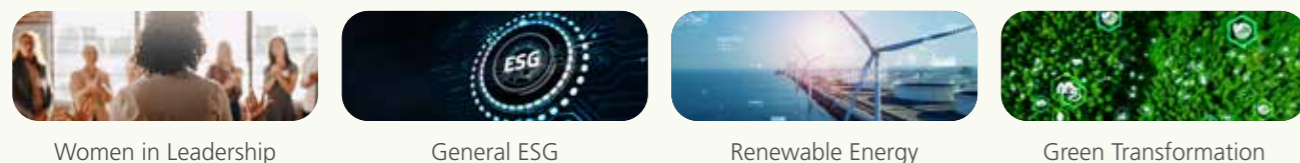
EFG Hermes One is a state-of-the-art trading platform rolled out by the Group in 2021 in two of our key markets, Egypt and Kenya. It provides users with one-click access to multiple MENA markets as well as global exchanges, allowing users to trade multiple asset classes across some of the world’s most exciting markets anytime, anywhere<sup>6</sup>. The app also includes intelligence as a real-time service by EFG Hermes Research, incorporating a full suite of research products that leverage the global-award-winning insights of an international team.



## Promoting ESG Themes

As part of EFG Hermes’ commitment to sustainability, EFG Hermes One promotes several exchange-traded funds (ETFs) with themes that support impact investment. This allows socially minded investors to be certain that their money is invested in companies that are committed to environmental, social, and governance issues as well as investors who would like to avoid the stocks of companies that are polluters or exploiters.

EFG Hermes One offers 4 ESG-themed ETFs and Stocks



## Women in Leadership

S&P Global Market Intelligence’s ground-breaking study, When Women Lead, Firms Win, found that firms with high gender diversity on their board of directors have been more profitable than firms with less gender diversity and shows the financial advantages that gender-diverse companies have over their peers<sup>7</sup>. This translates into risk for investors if companies struggle to make strides in inclusivity.

The “Women in Leadership” theme was created with companies from the three regions: North America, Europe, and Asia Pacific (developed markets) with a market cap larger than USD 5Bn. The companies all have a larger percentage of women in executive leadership positions relative to other companies within their respective regions.

The risks of investing in this theme are general such as economic recession, inflation and higher interest rates, however companies included are generally more inclusive than others.

<sup>6</sup> Terms and conditions apply. The services, markets and asset classes available to EFG Hermes clients through EFG Hermes One may vary by market and / or country in accordance with local market regulations. Other terms and conditions may govern trading conditions, market orders, the remittance of dividend payments, custody and taxation, and corporate actions (including, but not limited to, the treatment of bonus shares, capital gain distributions, cash dividends, rights issues) among others. Terms and conditions regulating the use of EFG Hermes One vary by market.  
<sup>7</sup> Sandberg, Daniel J. When Women Lead, Firms Win. S&P Global, 2019.

## ESG

ESG friendly companies are companies that seek to address and manage their environmental, social and governance risks. Such companies seek among other things, to reduce their environmental risk, aim to benefit society as a whole and have strong ethics and governance. There are 20 companies included in this theme, all rated among companies with the lowest ESG risk rating<sup>8</sup>. Only companies with a market cap larger than USD 10Bn. have been considered. The risk ratings measure the degree to which a company’s economic value is at risk driven by ESG factors or, more technically speaking, the magnitude of a company’s unmanaged risks within ESG.

Investing in ESG stocks has the same risk factors as investing generally in global equities. Higher interest rates could cause equity valuations to fall and our ESG list is valued at a 13% premium measured on 12-month forward P/E to global equities so in theory these ESG stocks are slightly more sensitive to interest rates. A general slowdown in the global economy would also hit these ESG stocks as growth outlook decreases.

Instrument	Last traded	Net	% 1D	Bid	Ask	Price update	Market
Accenture Plc	280.29	4.84	1.76%	280.35	280.44	06:05:01	NYSE
Aena SME	152.65	1.35	0.89%	-	-	03:37:28	SIBR
CBRE Group Inc.	76.66	0.52	0.68%	76.65	76.66	06:05:01	NYSE
CDW Corp.	169.59	1.56	0.93%	169.61	169.65	06:15:44	NASDAQ
Franco-Nevada Corpora...	205.580	-3.010	-1.44%	205.520	205.580	06:07:46	TSE
GBL	81.30	0.80	0.99%	81.36	81.38	03:37:48	BRU
Hasbro Inc.	59.22	0.29	0.49%	59.22	59.24	06:15:18	NASDAQ
Informa Plc	721.80	8.40	1.18%	-	-	05:30:00	LSE_SETS

## Renewable Energy

The use of renewable energy sources has many potential advantages such as diversification of the energy supply, reduced dependence on fossil fuels and reduced greenhouse gas emissions. The companies included in this theme are those whose primary revenue is from the production of renewable energy such as solar power, wind, hydropower, biomass and geothermal energy.

The theme includes the companies with the biggest market cap but some smaller companies are also included if they have pure exposure to just a single energy source (such as revenue just from wind power). Also, some smaller companies have been given preference if they expanded the geographical span of the theme.

The risks associated here are the general risk of an economic recession, inflation and higher interest rates. Changes in climate and weather have an impact on the production of renewable energy to a larger degree than on fossil fuels.

<sup>8</sup>Sustainalytics, September 2021.

## Green Transformation

Given current geopolitical factors, we believe that environmental advocacy will be prioritized over economic growth in the coming decades. This will in turn trigger massive government support and investments, which will create a megatrend for investment in green industries.

The green transformation theme comprises investments with companies in green industries, such as electric vehicles and chargers, carbon-neutral packaging, recycling, sustainable farming, green food and carbon capture technology. Renewable energy companies are in a separate theme, although they do play an important role in the green transformation.

While the green transformation theme has been successful for investors, it doesn't come without risk. This trend has no lack of staying power or signs of vanishing political capital; instead, the risks come from the largely high equity valuations, which have been steep when compared to the global equity market.

## Award: Best Trading Platform - EFG Hermes One

EFG Hermes One received Entrepreneur Middle East Leaders in FinTech Award 2022: This award category recognizes the best financial trading platform that has created a trustworthy solution, great user experience, vast trading options, and great customer service.



## Clean Energy for Schools – A Win-Win Opportunity

In 2022, the EFG Hermes Foundation for Social Development signed a partnership agreement with the Ministry of Education and Technical Education represented by the General Authority for Educational Buildings to transition over 100 schools in Luxor and Aswan to clean solar energy.

The partnership comes as part of government institutions' efforts to drive social participation to achieve development goals and overcome national challenges. It also aims to secure sustainable education in Upper Egypt through renewable energy, in line with the national strategy to increase reliance on clean energy, and reflects the Foundation's holistic approach to tackling economic, social, and environmental challenges.



Electricity generation  
700kWh/year



Emissions reduction  
250 tons CO2/year

This project fits cleanly with Egypt's national strategy to reduce emissions and increase reliance on renewable energy as part of its National Climate Strategy 2050 and the national initiative Haya Karima. The investment also reflects the Foundation's holistic strategy and integrated approach in tackling economic, social, and environmental challenges.





## Sustainability Spotlight

The EFG Hermes Foundation – Leveraging Development Experience



Development projects in Egypt usually focus on a particular sector such as education or sanitation. The EFG Hermes Foundation's holistic integrated development approach is both ambitious and unique. It involves the rehabilitation of entire rural communities starting with infrastructure development and encompassing comprehensive economic and human development initiatives, as well as access to a variety of services. We rely on collaboration to maximize resources and ensure broad and lasting impact with a focus on today's most pressing issues including climate change, environment, gender equity, children's rights, disease prevention, and economic empowerment.

To date, the Foundation has implemented three ground-breaking integrated development projects in deprived rural areas in Upper Egypt, successfully reaching over 500,000 beneficiaries.

The Clean Energy for Schools Project builds on the Foundation's deep experience in integrated development in rural areas, particularly in upgrading and connecting buildings to renewable energy. As part of the Foundation's flagship Naga' El Fawal and El Deir Village Project, the team redesigned the community centre to be completely powered by clean energy through a solar PV grid installed on its roof, providing reliable access to low-cost, clean energy. The success of this initiative led the Foundation to explore scaling up the project. The partnership with the Haya Karima initiative, established in 2021, provided the ideal opportunity and led to the current partnership agreement.

'We are committed to allocating development funds towards transitioning to alternative energy sources, as it drives innovation, economic prosperity, and overall citizen welfare.'

Mona Zulficar  
Chairperson, EFG Hermes Holding

'By providing schools with clean energy, students are guaranteed no interruptions to their school activities. It's also an opportunity to create awareness in the classroom on the impact and value of transitioning to clean energy and create a conversation around climate change.'

Hanaa Helmy  
CEO, EFG Hermes Foundation & Head of CSR,  
EFG Hermes Holding

There are numerous tangible benefits for beneficiary schools. The project will provide access to stable, low-cost electricity for cash-strapped schools and allow for the redeployment of scarce funds for the provision of vital education services. The large-scale adoption of clean energy will also contribute to the reduction of greenhouse gas (GHG) emissions, decreasing pollution and aligning with Egypt's goal to grow renewable

energy capacity to cover 42% of the country's electricity needs by 2030 as announced by government representatives at COP26.

Last but certainly not least, our experience in integrated development has shown that upgrading services in beneficiary communities becomes a catalyst for social and economic revitalization, instilling a sense of pride in the community, producing jobs, and creating hope for a better future. Our long-term goal is to use this project as a jumping off point for nationwide adoption of renewable energy solutions at the community level.

## Tanmeyah Microfinance – Solutions for Growth

### TANMEYAH HIGHLIGHTS

306 branches  
25 governorates  
Portfolio outstanding EGP 4Bn+  
Active borrowers 400,000  
Over 2M clients served since inception  
Sales value EGP29Bn + since inception  
Females total 49% of active borrowers  
Award for "Most Trusted Microfinance Brand in Egypt 2022" in the  
Global Brand Awards.

Tanmeyah was established in 2009 as one of the first Financial Institutions in the field of microfinancing and was acquired by EFG Hermes in 2016. Today, Tanmeyah is Egypt's leading microfinance service provider and one of the Group's flagship companies under its NBFi platform. Tanmeyah provides a comprehensive microfinance solution to lower-income business owners across Egypt who would otherwise have no access to the banking sector helping them grow their businesses and find a way out of poverty.

### Targeted Programmes

With a footprint across 25 governorates and over 300 branches, Tanmeyah is ideally placed to identify and grasp opportunities that support its mission of bringing banking and financial services to the underprivileged members of society. This has led to the development of products and programmes that address certain segments such as transportation service providers, medical and pharmaceutical practitioners, and female entrepreneurs.

The financing programmes offered provide owners of microenterprises with the necessary support to develop their businesses and projects, which contributes to improving living standards in surrounding communities. Tanmeyah facilitates access to finance in underprivileged areas through its branches present in many governorates, and it consistently seeks to expand geographically by opening new branches in rural and urban areas in Upper Egypt and Delta governorates. Tanmeyah's financing programmes start from EGP 1,000, allowing us to support low-income businesses, driving economic growth throughout Egypt and improving the standard of living for citizens. The company continues to focus on growth and drive financial inclusion in Egypt despite local and global challenges. Since 2021, Tanmeyah has been actively pushing towards greater digitalization as part of Egypt's efforts towards achieving increased financial inclusion. On that front, Tanmeyah has launched several applications offering digital services and online payment services to customers, enabling Tanmeyah to reach a wider customer base. Since inception, Tanmeyah has issued over 2 million financing facilities of various types and sizes to low-income generating projects across Egypt.

### Micro Enterprise Loan

Working capital loans from EGP 7,000 to EGP 50,000 for lower-income individuals who are running very small family-owned businesses and cottage industries.

### Very Small Enterprise

Loans from EGP 50,000 to EGP 100,000 to provide immediate liquidity to help very small enterprises (VSEs) manage their cashflow.

### Individual Lending

Working capital loans from EGP 1,000 to EGP 10,000 for lower-income individuals who are running very small family-owned businesses and cottage industries.

### Medical

Working capital loans from EGP 100,000 to EGP 200,000 to provide liquidity for Doctors and Pharmacists to manage their cash flows.

### Repair & Maintenance

Loans from EGP 1,000 to EGP 10,000 for drivers to fund any repair and maintenance needed for their cars.

## Tangible Impact

At the heart of Tanmeyah's business model is helping those most in need improve their livelihoods through the provision of necessary avenues of financing unavailable to them through traditional banking channels. Core to this mission are the personal connections we form with our clients and their communities, and so we are committed to transparency and the ethical practices essential to building and respecting the trust that our customers place in us. In addition to serving our clients' financial needs, we help them achieve their goals with guidance, training, and advice. Their success is our success, and the stories they tell are the tangible impact that goes beyond simple numbers.

**GEHAD SAMY** is a 27-year-old woman from Fayoum who works with wicker. She started off selling wicker braids, but she quickly began receiving encouragement from her family to develop her work. She began working with them to make bags out of wicker, until she decided she wanted to go out on her own. Her only obstacle was securing the funds she needed to open her own business. Tanmeyah gave her an EGP 10,000 loan, which she received immediately to kickstart her independent venture. Working hard to expand her business, Gehad went on to take another EGP 12,000 loan as she diversified her bag business and explored new designs. Her aspirations are to continue developing her wicker business, making a name for herself, and hiring more people who can profit as well. Gehad has gained the confidence she needs in her abilities to fulfil her goals and is proud of her sense of ownership and financial independence.



**MOHAMED RAMADAN** is a 32-year-old man with a strong entrepreneurial spirit. He works with palm tree wood, building crates for customers. Mohamed used to work for hire, but once he decided to take out a loan of EGP 10,000 from Tanmeyah, he was finally able to open a small workshop of his own and hire two helpers to grow his output. Mohamed has always believed that those who work hard are rewarded in return, and he has plans to expand his industrial operation in the future, employing even more people and developing his business further.



**RASHA AHMED** is a 37-year-old woman who has always wanted to pursue a career as a seamstress. Being a mother and caretaker of her children, Rasha was unable to work at a factory and leave her children for long periods, so she began working out of her own home but was hindered by her inability to afford new sewing equipment. She applied to Tanmeyah for funding and received a loan for EGP 10,000. This enabled her to establish a small workshop near her home, allowing her to stay close to her family while taking in orders from members of her community. She looks forward to taking out another loan from Tanmeyah in the future to fulfil her dream of growing her business without needing to sacrifice time with her family.





# **BUILDING RESILIENCE**

MEETING CHALLENGES & MANAGING RISKS





## Building Resilience

Meeting Challenges & Managing Risk

To build resilience, sustainability must be embedded across society. Protections must be built into any project, activity, or ecosystem. At EFG Hermes, we understand the importance of providing the building blocks that together provide communities and businesses with resilience in the face of external or internal shocks. Whether at the level of our integrated rural development projects or through our inclusive finance policies, we focus on creating and disseminating the tools that can help mitigate risk and meet the challenges that face our world today.

### Fostering Financial Inclusion – The NBFi Platform

EFG Hermes believes that it is imperative to promote financial inclusion to create resilience within the market. Through its non-bank financial institutions (NBFi) platform, EFG Hermes has developed several synergistic verticals to address the unbanked and those with minimal access to financing. In addition to providing financial access to individuals, the overall objective is economic development and the creation of employment opportunities.

### PayTabs Egypt

PayTabs Egypt Solutions is the country's award-winning provider of digital payment solutions. The platform penetrated the Egyptian market in 2019 as a joint venture between PayTabs, MEASA's premier fintech and B2B payment solutions powerhouse, and EFG Hermes, the leading financial services corporation in frontier emerging markets (FEM). PayTabs Egypt provides merchants with the market's leading payment processing solutions. It provides multiple digital payment options, white labelling platforms, and e-commerce, m-commerce, and social commerce payment solutions.

'Our goal will always be to offer innovative payment solutions that are accessible to businesses of any size. PayTabs has always positioned itself as an enabler in the Egyptian payments market. Our solutions aim to digitize payments and contribute to developing the payment eco system in the country.'

Karim Eyada  
General Manager  
PayTabs Egypt, Private Equity

### Inclusion through Digitization

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

As part of the digital transformation direction, the Financial Regulatory Authority (FRA) encouraged NBFIs and MFIs to disburse and collect their loans and instalments electronically. PayTabs Egypt recently partnered with Tanmeyah MFI to power the financial inclusion agenda by facilitating their collection model digitally for the first time in Egypt. Tanmeyah achieved progress towards a more integrated and digital operating model by collaborating with Fawry and O-Pay to serve as digital collection channels which should enhance business dynamics and improve customer service and satisfaction. The technical integration will be conducted by PayTabs.

### Encouraging Entrepreneurship

Catering to small and medium enterprises has been the focus for PayTabs for a while. In its efforts to make online payments more accessible to freelancers and SMEs in Egypt, PayTabs launched social-commerce platform, Paymes. Paymes allows freelancers and micro merchants without websites to accept online payments via social media platforms and build their own web shops. This gives businesses established on social media a chance to adopt mainstream payment methods and become part of Egypt's digital transformation.

PayTabs Egypt recently celebrated its third anniversary and announced an exclusive offer of 50% off on merchant transaction fees. The offer gives freelancers and SMEs a chance to expand despite the challenging economic environment by encouraging their businesses to grow while cutting their costs in half in the first quarter of 2023.

### EFG Hermes Corp - Solutions - Leasing & Factoring

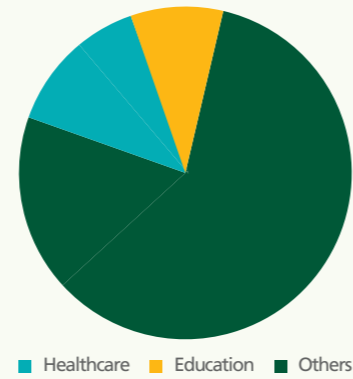
Corp-Solutions is one of EFG Hermes' flagship NBFi subsidiaries. It provides leasing and factoring services that can be combined in customized packages designed to provide optimal financing. In sectors such as education and healthcare, these services can be leveraged to provide critical funds for sustainable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

## Leasing Overview:

EFG Hermes Corp-Solutions has made it a priority to increase its contribution to the educational and health sectors in line with the Egyptian government's SDG objectives. Total new financing of educational institutes in 2022 increased by an amount of EGP 155.2 Mn in new bookings, geographically located in Greater Cairo, El Sharkeya and New Administrative Capital. The sector contribution to the portfolio reached 12.30% as of ending 2022Q3. Funds allocated to the health care sector were worth EGP 125.4 Mn in 2022, contributing by 14.5% to the overall portfolio as of ending 2022Q3.

In addition, EFG Hermes Corp-Solutions executed a one-of-a-kind leasing transaction with one of the main clients in the logistics industry for an amount of EGP 392.7 Mn, where EFG Hermes financed a vessel that contributed to alleviating the current bottle neck in the supply chain and maritime industry. It is also worth highlighting that the vessel is in compliance with the IMO 2020 regulation by applying Lower Sulphur Marine Gas Oil "LSMGO" to meet the new eco-friendly environmental measures.

2022 Portfolio Distribution - Leasing

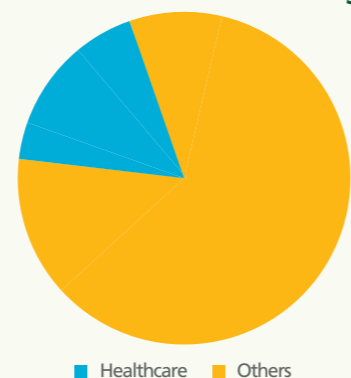


## Factoring Overview:

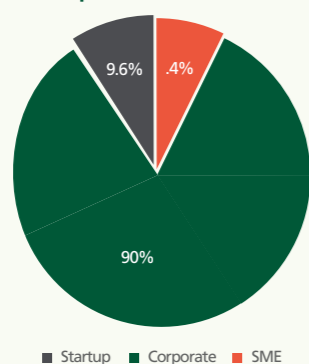
From the Factoring side, EFG Hermes Corp-Solutions' contribution of the Healthcare Sector recorded 24.5% of its portfolio in Sep-22, keeping in mind that maximum industry concentration is capped at 25%. Corp-Solutions also supported companies with a social impact mandate, including a company that specializes in solar irrigation and solar pumping systems tailored for the agricultural sector.

In addition, Corp-Solutions has been proudly empowering SMEs in the market by facilitating lending products and programmes that fits their needs. EGP 370 Mn were disbursed in the leasing portfolio up until 2022Q3, representing 23% of total disbursements for this year. SME lending also recorded EGP 151 Mn from the total outstanding factoring portfolio as of 2022Q3, which represents 9.11% of total outstanding position.

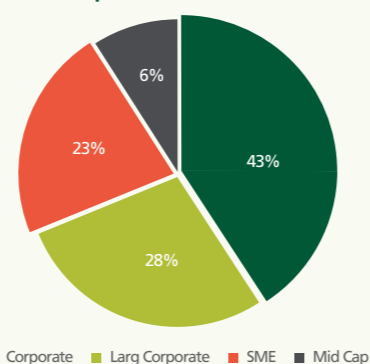
2022 Portfolio Distribution - Factoring



Factoring portfolio corporate Vs. SMEs



Leasing portfolio corporate Vs. SMEs



## Sustainability Spotlight

A Commitment to Inclusive Economic Growth

aiBANK announced in October 2022, the launch of a campaign titled "Financing That Moves You 100 Strides Forward" to raise awareness for its latest financing product, which aims to provide SMEs with financing facilities up to EGP 10 Mn, with repayment periods of up to 5 years, and a streamlined, prompt approval process.



This campaign is in line with the Egyptian Government and the Central Bank of Egypt's directives focused on supporting SMEs and builds on the Bank's strategy and expansion plan to introduce innovative financial solutions that aid the sustainable development of this promising sector. By financing these small businesses, the bank will support job creation and drive economic growth, allowing it to deliver on its goals of providing sustainable financing solutions. To consolidate its support, the bank will also provide a variety of financial and non-financial new products aimed at supporting the sustainable growth of these businesses.

"We believe that change is possible when Egyptians collectively work toward the same goal. At aiBANK, we take environmental issues seriously and are passionately committed to contributing to solutions."

Tamer Mostafa,  
Senior Director Business and Sustainable Development, aiBANK

The Bank has also succeeded in accelerating the pace of loans and



credit facilities provided to customers in this vital sector. With the percentage of facilities granted to small businesses growing to 9.1% in September 2022, which is in line with the central bank's directives that dictate that all banks must dedicate a minimum of 10% of their net loan portfolios towards financing small businesses, based on the bank's financial position as of December 2020.

## Integrated Rural Development – A Winning Strategy

The EFG Hermes Foundation for Social Development has been committed to the integrated development of underprivileged rural areas in Egypt since 2007 when the first project – the Ro’ya project – was implemented in Beni Suef. Time and again, it has become apparent that building resilient communities is unachievable without an integrated approach to the problems facing society today. The integrated development approach as the most effective means of maximizing both impact and return on investment of scarce development funds and embedding sustainability.



Partnership has always been a key tenet of the Foundation’s approach, and each project brings together partners from both public and private sectors, donors, and civil society in synergistic that have tangible, measurable impact on both communities and individuals. To date, the Foundation has implemented three ground-breaking integrated development projects in deprived rural areas in Upper Egypt.

In 2022, the Foundation signed an MoU with the Ministry of Social Solidarity to participate in the Haya Karima initiative. The first project to take place under this MoU builds on the work done by the Foundation as part of the EGP 70 million Naga’ El Fawal & El Deir Village Integrated Development Project and benefitting over 75,000 inhabitants. The ambitious project involved the rehabilitation of an entire community starting with infrastructure development and encompassing economic and human development initiatives, as well as access to a variety of services.

Under the MoU, the Foundation will rehabilitate 120 housing units in El Deir village and build a sewer line connecting housing units to the pumping station and wastewater treatment plants previously developed by the Foundation. This line will benefit 15,000 residents of the area.

On another level, the Foundation continued its commitment to support other activities in Naga’ El Fawal & El Deir Village where work has been ongoing since 2016. This year, Montessori training and training for special needs education was provided for 26 women from Luxor, giving them valuable career skills that will lead to better employment opportunities. We are also proud to report that in the academic year 2021/2022, 14 children graduated from the Young Scholars Academy, including 2 graduates from the Special Needs section.



Building resilient communities since 2007



Ro’ya,  
Beni Suef  
Governorate  
2007–2010  
EGP 30 Mn  
10,000 beneficiaries



Al Makhzan,  
Qena Governorate  
2014–2016  
EGP 9 Mn  
10,000 beneficiaries



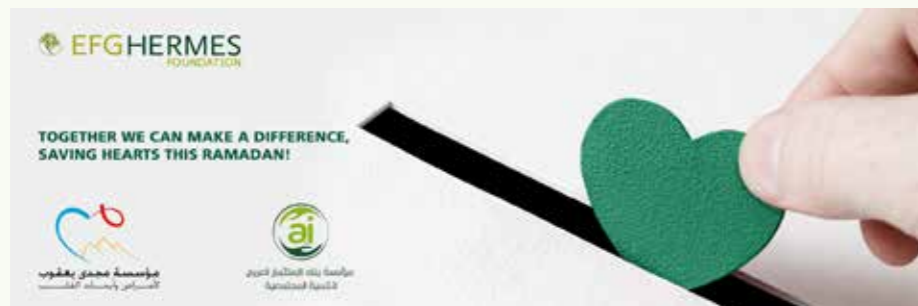
Naga’ El Fawal & El  
Deir  
Luxor Governorate  
2017–present  
EGP 70 Mn  
Over 75,000  
beneficiaries

## Prioritising Health – EFG Hermes Foundation

The EFG Hermes Foundation has always placed special emphasis on funding vital healthcare initiatives in Egypt in collaboration with the public sector and civil society. From organising employee blood drives to supporting Hepatitis B vaccinations amongst university students and helping to fund vital equipment in hospitals in Upper Egypt, we are always looking to support initiatives where we can achieve maximum impact. This year was no different.

## Saving Hearts with the Magdi Yacoub Foundation

The Foundation partnered with aiBank and the Magdi Yacoub Heart Foundation (MYF) to support patients most in need at the Aswan Heart Centre during the holy month of Ramadan, sponsor heart operations in collaboration with the Magdi Yacoub Heart Foundation. As part of employee engagement, employees of EFG Hermes and aiBank received an email encouraging donations to the MYF to sponsor six open-heart surgeries and six cardiac catheterizations procedures.



## Making a Difference

The EFG Hermes Foundation often finds itself in a position where it is able to provide donations for specific critical cases. One such case was that of Mostafa, a 17-year-old boy suffering from Chronic intestinal pseudo-obstruction (CIPO), a rare, severe and debilitating gastrointestinal motility disorder. Mostafa's case was very advanced, with almost complete paralysis of his digestive system. A full digestive system transplant costing USD 2 million was necessary for his treatment. The Foundation was able to contribute EGP 1.5 Mn towards his treatment, greatly helping the fundraising campaign that was organized on his behalf.



## Embedding Sustainability – ESG Integration Across the Group

Good governance is a key ingredient in resilience. Rapidly developing regulatory requirements and voluntary commitments are driving the commercial importance of sustainability and fuelling the call for stringent governance as we continue to build our position and capabilities as a sustainability leader in financial services. Our robust governance framework has helped us manage risk and achieve efficient growth and financial stability even as we continue our expansion into new geographies and launch a new roster of products and services.

Our Auditing, Compliance, Risk and Human Resource (HR) Departments consistently monitor our operations to ensure adherence to the regulatory requirements of the markets where we operate and the integration of new policies and benchmarks that ensure regulatory compliance, both relating to ESG and to our core business. In 2022, almost 1,000 employees attended ESG-related training at EFG Hermes further consolidating the importance of sustainability within our culture.

As members of the United Nations Global Compact and signatories of the UN Principles for Responsible Investment (PRI), we have incorporated ESG factors into our business manuals and processes, laying out our Responsible Investment Policy, providing a general ESG framework, and outlining the approach to ESG integration across our four business lines: private equity, investment banking, asset management and research, as well as recommendations for various support functions. These guidelines equip our investment professionals with the knowledge, procedures, and tools, needed to take active ownership of ESG integration.

**EFG Hermes is committed to fostering the integration of ESG policies across the Group and all subsidiaries to ensure long term sustainability.**

Furthermore, we ensure compliance with regional requirements. For example, all Egyptian group companies comply with the Financial Regulatory Authority's (FRA) regulations requiring the boards of all regulated firms to have a female representation of two female board members or 25% of board members. Similarly, all EFG Hermes listed companies are compliant with the FRA's 2021 disclosure requirements. The FRA's regulation requires responding to 51 indicators and questions across two types of disclosures; Environmental, Social and Governance (ESG) indicators; and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). In 2022, the Internal Audit Department included the controls related to ESG policies and practices into each business line's audit programme to ensure the conformity of different businesses in their commitments towards ESG policies.

## Business Continuity & Risk Management

EFG Hermes' Business Continuity Management System (BCMS) has been developed to help EFG Hermes entities systematically build their business continuity capability during and after an emergency, disaster or crisis. A key component of ensuring stability is gaining EFG Hermes acceptance of the value of the process in each country by raising awareness and communicating policy to all staff.

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



The international certification is proof positive of the Firm's commitment to ERM compliance as part of its goals to maintain resilience and maximize growth prospects across an ever-growing product and service portfolio and expansive geographic footprint. The certification bookends numerous successful ISO accreditations for the financial service powerhouse, with ISO 31000:218 being a globally recognized risk management standard that gives practitioners a set of accepted best practices, principles, and methods to comply with. By verifying that EFG Hermes operates an ERM system that is aligned with ISO 31000:2018, the certification reflects the Firm's success in expanding access to its financial services and growing the business in a stable, sustainable, and responsible manner, by upholding strict guidelines of ethics and governance.

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

## The Business Continuity Committee

EFG Hermes Group is committed to ensuring the achievement of continuous improvement of its operations by driving continuous service improvement and performance across all business functions. Business Continuity Planning (BCP) Committees in each country are responsible for raising awareness of BCP ownership and communicating policy to staff. The Business Continuity Committee is also responsible for ....

- Coordinating the business continuity drills schedule with the BCP teams and ensuring delivery of appropriate training. In 2022, successful business continuity drills took place across all offices.
- Regular environmental scans and analysis of threats for the purposes of risk mitigation.
- Reviewing the structure and effectiveness of BCP and Emergency Response Teams. In 2022, a new disaster recovery site was launched at EFG-Hermes Kenya. The new site is designed to ensure robust business continuity planning and disaster recovery for business users.
- Reviewing the status of actions from previous management reviews.
- Providing recommendation and guidance for BCMS improvement.

## Green Business – A Model for the Future

EFG Hermes is pioneering the use of technology solutions to transform its business, create value, and ensure a sustainable future. Our green business model is designed to ensure both maximum resource efficiency and optimal business returns across our operation. The strategy encompasses several initiatives:

### Digital Transformation

Our partnership with Microsoft is a multi-objective strategic approach varying from innovation for our business fronts, workforce skilling and even environment renovation with future in mind. It also involves developing tailored strategies for multiple areas of business, such as brokerage, compliance, leasing, marketing, and HR, to build a digital transformation roadmap. Related cost savings, employed in every step in our deployments, has reached more than 90% in some projects.

### Virtualization

We continue our plan of migrating servers to the cloud and offer WebEx and Zoom Cloud meeting services for virtual meetings and events such as the Annual General Meeting. Multiple projects have totally deployed on the cloud such as Brokerage DMA, budgeting and email. By using Microsoft Teams and with the integration with our IP telephony system, the result is that every employee has an office phone and collaboration tool on their laptop, phone, and tablet for secure communications with colleagues or clients.

### Resource optimization

We are committed to reducing waste across our operation and optimizing resources where possible. In terms of e-waste, the recycling our old IT equipment is an ongoing procedure. This year, we implemented a major recycling drive for legacy hard drives collected from old storage appliances, servers, laptops, etc. We have also instituted several initiatives to reduce power consumption across the Group, as well as introducing digital business cards to reduce paper and printing waste.



## Sustainability Spotlight

### Kaf Insurance – A Commitment to Sustainable Business Practices

Following the acquisition of a 75% stake by EFG Hermes Holding and GB Capital in Tokio Marine Egypt Family Takaful in 2020, the company has rebranded as Kaf. Kaf aims to make insurance accessible to all Egyptians through a digital platform that offers an array of products. Kaf is an Arabic word, means fit for the purpose, making it inherent in the company DNA to provide customer satisfaction. Since our launch, we have executed consistently on our promise of “making it easy, doing it right” through innovative, tech-enabled solutions. Our mission is to increase financial inclusion for those highly susceptible to financial insecurity by bridging the insurance gap. Kaf’s commitment to safeguarding the health and wealth of Egyptians comes from our core belief that insurance is a social good.



## Financing Sustainability

From acquisition to date, Kaf has witnessed explosive growth in lives insured – from less than 100,000 lives to 2 million lives. Maintaining that our strategy of targeting a mass segment focused on corporates, SMEs, and the micro-segment creates effective commercial success. Plugging the insurance gap will protect the low-income segment from falling into poverty in the event of misfortune. In line with the government’s agenda for financial inclusion, our role as an insurer is to increase awareness of the importance of insurance.

In addition to orienting its core business activities towards sustainability, Kaf initiated an internal drive to develop and adopt ESG policies and procedures including the ESG Policy, the Environmental Policy Statement, and the Health and Safety Policy. Kaf now tracks key environmental, social and governance metrics.

### Promoting Diversity & Inclusion

A key metric that has changed significantly since acquisition by EFG Hermes is the gender ratio within the company:

- The number of female employees increased from 25% to 40%.
- Female board members now number 25% up from zero.
- One female chairperson for a board subcommittee up from zero.

We also focus on outreach and engagement through university seminars and youth activities.

## Cybersecurity – A Vital Dimension of ESG

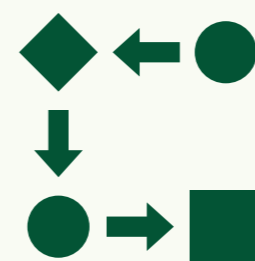
Cybersecurity concerns are increasingly being addressed as part of the ESG system, given that the right to privacy and security is an intrinsic human right. With data breaches becoming increasingly common as hackers gain sophistication, cybersecurity has become key to enterprise resilience. EFG Hermes has committed to enhancing cybersecurity effectiveness through sustainable practices for mitigating risks, responding to incidents and deterring threat actors while avoiding staff burn out people or the exhaustion of company resources. Like any enterprise EFG Hermes cybersecurity comprises people, policies/processes & platforms – the 3P concept:



**People:** This year, EFG Hermes radically changed its mode of operation to decrease the stress on cybersecurity professionals, give them more space to learn, and focus on more interesting topics while automating simpler tasks and engaging artificial intelligence (AI) and machine learning (ML) to free staff for the tasks that require the sophistication of the human mind and the emotional intelligence no machine can have. This also allowed our security professionals to engage with staff to give them one to one cyber security coaching on how to avoid security mistakes.



**Platforms:** EFG Hermes focused on introducing AI and ML-driven security solutions that require less human effort and intervention to detect and respond to cyber security risks, threats & incidents hence improving detection rates. This also allows more human interaction, making cybersecurity awareness a day-to-day activity rather than just a course at the end of the year. Cybersecurity professionals also have the time to fine tune better detection and response rules and mechanisms instead of constantly having to respond to the many false positives that waste time.



**Process:** EFG Hermes has ensured the sustainability of its cybersecurity by incorporating it into the very fabric of the way we do business, going even further by continually working on fine-tuning, enhancing and even adding to our policies to ensure we cover all cybersecurity areas and new concepts such as Zero Trust, Cyber Resilience & Cyber Deterrence as well as industry best practices such as ISO27001 and NIST Cyber Security Framework. A new data classification policy has been introduced and the global information security policy modified to reflect a vision of how cybersecurity should be organized in the group and its subsidiaries as well as the introduction of information risk management, security assessment, and clear desk policies.

# ENGAGING WITH OUR STAKEHOLDERS



## Engaging With Our Stakeholders

For many years, EFG-Hermes has been working diligently to encourage the adoption of sustainable investment practices and delivering on the UN's Sustainable Development Goals (SDGs) by driving green growth and making a positive, long-term impact. Engaging with our stakeholders is a key part of our strategy and, today, stakeholders are helping drive the sustainability agenda. Sustainability has evolved from a regulatory compliance issue to a concern that is paramount for stakeholders such as shareholders, investors, and community groups. At EFG Hermes, we consistently strive to maintain transparent and effective channels for stakeholder engagement.



Governments determine the regulatory framework for our sector, and dialogue is vital for developing a shared understanding of policies and regulations.



Business partners and financial industry associations contribute to shared solutions for our customers and society at large.

Media engagement is key to ensuring accurate media coverage and provides opportunities to offer our expertise.



Employees are our greatest asset, and their expertise and engagement form the basis for our ability to create value for our customers and society.

Portfolio Companies that we invest in can be encouraged to implement more ESG-friendly policies in line with our own sustainability requirements.



Investors & shareholders are the foundation for our business, and ensuring consistent and transparent communication with them is essential.



Community engagement is critical for developing a shared understanding the role of financing institutions in society.

## Employees

At EFG Hermes, we strive to be an employer of choice by providing employees professional and personal opportunities and experiences and the ability to shape and contribute to our company purpose, strategy, and performance. Our HR department consistently develops initiatives that aim to enhance the health and well-being of our employees, and 2022 was no different.

### DNA- DEVELOPMENT NEEDS ASSESSMENT

For the 4th year running, we ran our DNA Open House virtually, encouraging employees to take an active role in mapping out their development path and managers to take an interest in the development and growth of their teams. Three hundred and thirty-seven employees participated this year, up from 151 in 2021.

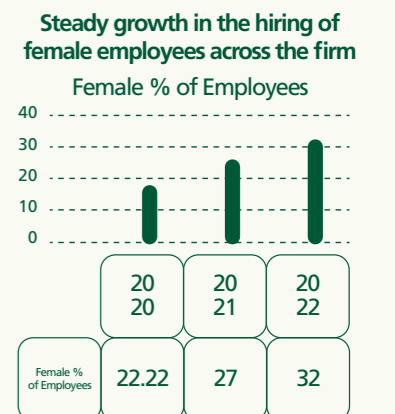


### THE ACADEMY

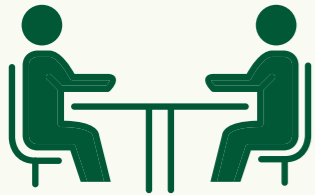
With the winding down of COVID restrictions, we've been able to bring employees back into the physical classroom and resume The Academy programmes. In addition to running modules for programmes we started in 2019, we're also running the first class of the Executive Development Programme (EDP).

### RECRUITMENT, ADVANCEMENT & SUCCESSION PLANNING

Succession Planning 2.0, our new and improved succession strategy and framework was rolled out this year. Looking at both strategically critical and operationally critical roles for the first time, 71% of successors identified were internal candidates. This is in line with our aim to promote from within whenever possible and giving employees a chance to be considered for new roles within the same country or across our footprint. The next phase will see us focusing on readying those identified, ensuring they're mission-ready for when the time comes. In terms of talent acquisition, our team attended several employment fairs at Egyptian universities and received many job applicants for open positions.

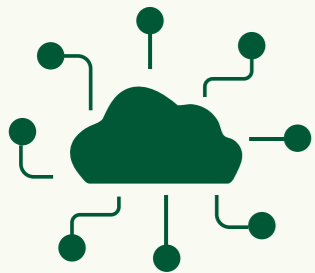


## EXIT INTERVIEWS



We've always considered exit interviews as key data sources for what we do well and what we need to reconsider in order to retain our employees and stave off the loss of talent. After a brief hiatus while we reassessed our approach to exit interviews and, more importantly, worked on our reporting and analytics capabilities, we launched a tech version of our exit interviews in 2022Q3, which streamlines the process for employees and HR, and links to Power BI, making it easier to analyse the data we receive from these interviews, glean valuable insights and organise our findings in a manner that facilitates effective the development of practical action plans.

## HR DIGITISATION FOR EFFICIENCY & EFFECTIVENESS



We consistently review our HR processes and programmes and find the most efficient and effective way of presenting them to employees. In many cases, new technology helps us achieve this. This year saw the launch of Talent Central, our talent management platform, which houses our now fully digitised promotions and succession planning activities. This has saved time for both the Talent Management team and managers required to submit data and made it infinitely easier to produce the necessary reports and analysis.

We've also rolled out a full-fledged Learning Management System (LMS), which is critical to our Talent Development ambitions. Absorb, the new LMS, consolidates all our learning and development-related records, houses our regulatory training courses, the complete LinkedIn Learning Library, and any other training material we may have. This move also helps our reporting and analytics capabilities.

## EMPLOYEE WELLBEING



Although we offer generous coverage through our health insurance plans, we're conscious that some conditions do not qualify for coverage and pose a financial burden on those who suffer from them. To assist with such cases, the firm operates a discretionary health care fund. We're careful about allocating these funds to the most deserving and stretching them as far as we can. The discretionary healthcare fund takes care of any extras for both officers and non-officers. While there is a cost sharing mechanism, it is linked to salary, so non-officers, by default, share with a small portion, if at all.

## FINANCIAL LITERACY



In 2021, we noticed that our non-officer staff members were often in financial difficulty despite remuneration rates that are higher than market standards. We realized that they lacked the basic financial literacy skills to manage their finances, and, although the firm employs a loan policy that allows us to assist those in need, we could see that this was not sustainable in the long term.

In response, we designed a programme to provide them with simple, actionable knowledge to better manage their financials, avoid incurring debt, and possibly save as well. The success of this programme has encouraged us to put it in regular rotation, and we are also developing a version for non-officers in our GCC offices.

## Portfolio Companies

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

## Sustainability Spotlight

FIM Partners, one of EFG Hermes' subsidiaries, engages with each of its corporates multiple times a year for different ESG-related actions/themes. One of the key milestones for our ESG strategy has been the updating of the company's proprietary ESG scorecards and the associated scoring methodology thanks to input from an international sustainability consultant. The new scorecards are more nuanced with a sector specific methodology based on sector materiality risks. This brings the process in line with global best practices.

**FIM Partners**

In addition to routine engagements with portfolio companies, deeper engagement occasionally becomes necessary for select companies. In 2022, FIM Partners undertook several specific issue-based engagements with portfolio companies.

"Feedback from our management questionnaires identified deficiencies in terms of certain key policies and tracking of sustainability metrics. Subsequent conversations with the companies, which included a Moroccan food retailer, indicated a lack of awareness rather than unwillingness to adapt. Over the coming months, we closely engaged with both companies with detailed discussions on the merits of establishing key internal policies and monitoring material sustainability metrics.

The recommendations included the need for formulating important ESG policies and practices relating to the environment, whistleblowing, and child labour practices, to name a few. We also stressed the importance of monitoring and reporting consumption patterns, emissions and key data points related to social and governance factors.

The managements' responses have been positive, and they have requested our assistance for recommendations on external consultants that can assist with establishment of the requisite procedures. We continue to follow up with the companies to track their progress."<sup>9</sup>

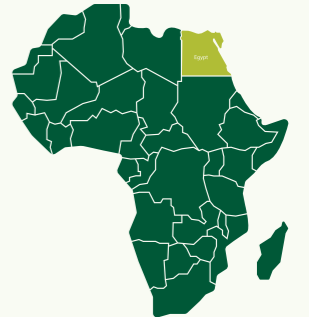
<sup>9</sup> FIM Partners, Annual Sustainability Report 2021.

## Community Engagement

In addition to CSR activities that seek to provide social support to different segments of society across EFG Hermes' geographical footprint, there is one key area where the Firm considers it its duty to engage with the public. This area is financial literacy in two of our key markets, Egypt and Kenya.

### Egypt – Focus on Youth

EFG Hermes One, the firm's state-of-the-art trading platform, sponsored numerous events to educate Egypt's youth on the importance of money management, saving and investing. These were accompanied by targeted social media messages on financial literacy.



### EFG Hermes One x World Youth Forum

EFG Hermes ONE is also proud to have sponsored the 4th edition of the World Youth Forum, which took place in Egypt in January 2022. The forum tackled many critical issues and was an excellent opportunity to create awareness on issues such as Fintech, cyber security, data science and AI as well as financial literacy.



### EFG Hermes One x AUC

Our experts from IT and Securities Brokerage provided training for AUC students on topics such as "All Things Investment" and "Technical Analysis: How to invest," as well as tips and tricks, success stories, asset classes, investment discipline, etc.



**Trading Sessions:** We launched the Stock Up Challenge where the students traded on the EFG Hermes One Virtual Simulator and competed against each other. By doing so, we gave them hands-on trading experience, allowing them to put the knowledge they gained into practice. The winners received a monetary value added to their EFG Hermes One accounts in addition to internship opportunities at EFG Hermes.



'I want to specialize in Fintech. Learning about investment & trading was a good first step!'  
Reem Saeed  
AUC Student



'The experience of trading was incredible. I didn't have any previous background and it was a fantastic opportunity for me to learn about the market without risking my own money.'  
Abdel Rahman Shoeib  
AUC Student

## Kenya – Focus on Women

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



'At EFG Hermes Kenya, we believe that a financially empowered woman will impact herself and future generations.'

**Joanne Kabiru**  
 Director, Brokerage Operations  
 EFG Hermes Kenya



## Government & Regulatory Agencies

EFG-Hermes possesses a deeply rooted belief in driving growth that bolsters sustainable development that is vital for local, regional, and global prosperity. To this end, the Firm engages regularly with government sustainability initiatives to find mutually beneficial solutions for common issues.

### The National Initiative for Green Smart Projects in Governorates

In 2022, EFG Hermes Holding and aiBANK provided support for the National Initiative for Green Smart Projects in Egyptian Governorates led by the Ministry of Planning and Economic Development as part of the lead-up activities to COP27 hosted by Egypt. The programme aligns with the principles of COP27 and is considered an important component of the ongoing efforts to achieve sustainable development within Egypt's Vision 2030.

The initiative, which also comes as part of Egypt's National Climate Change Strategy 2050, is a first of its kind in the field of sustainable and climate-smart development. Led by the Ministry of Planning and Economic Development, the initiative aims to develop a comprehensive roadmap at the governorate level for smart green projects and looks at ways to attract the required funding to bring these projects to life. A committee, led by Dr. Mahmoud Mohieldin, the jury chairperson for the initiative, and the UN Climate Change High-Level Champion for Egypt selected 18 winning projects to present during the upcoming COP27 in Sharm El Sheikh.

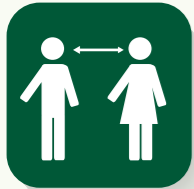
'We're confident that this initiative will help identify Egyptian ingenuity which in turn will create sustainable solutions that promote social and economic welfare in different parts of Egypt in need'.

**Hanaa Helmy**  
 CEO, EFG Hermes Foundation & Head of CSR, EFG Hermes Holding



## Media Engagement

Our engagement with the media hinges on advancing sustainability within our messaging and ensuring that our content promotes the values we practice. We are also mindful of the diversity within our company in terms of nationalities and tailor our messages to different markets, celebrating events such as country national days and local celebrations.



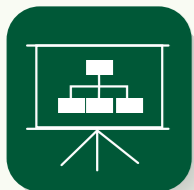
### Gender-neutral marketing

We ensure that our content & moderation targets both men and women equally, with the exception of seasonal content such as Mother’s Day, International Women’s Day, Father’s Day, .. etc.



### Environmental consciousness

For the past 4 years, we have resorted to creating digital microsites for our Annual and Sustainability Reports to minimize paper use. We also consider sustainability when commissioning giveaways.



### Transparency & Clarity

- We practice social media listening and page moderation to make sure that we receive and respond to our clients’ feedback.
- We work in alignment with our Compliance department to make sure that we do not misuse or expose any client data and to ensure that we acquire all proper consent before communicating with them.

## ESG Themes

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



Similarly, we encourage our team members to deliberately incorporate ESG dimensions when they engage with media representatives within their countries and internationally. A recent example is the Sub-Saharan Africa Media Round Table which took place in March 2022 in Nairobi, Kenya. Our analysts shared in-depth insights with the media on election year outlook and its impact on investments in the Kenyan stock market, particularly in terms of energy costs and projected investment in the energy sector.



## Investors & Shareholders

2022 marked another successful year for EFG Hermes in terms of active engagement with investors through our landmark One on One and Virtual Investor conferences including one recently held in Kuwait in partnership with Boursa Kuwait and titled “Stars Aligned for the Newest Emerging Market.” The joint conference highlighted Kuwait’s strong investment prospects.

We engage regularly with our shareholders through our Annual General Meeting (AGM) which is held virtually to increase its sustainability and minimize its carbon footprint by eliminating unnecessary travel. We also provide regular updates and disclosures through our portal as required by law in our jurisdictions of operation.



## Business Partners & Industry Associations

We engage regularly with our peers to create open dialogue on critical issues such as climate change, economic empowerment, and sustainable financing. This creates synergistic movements beyond our own internal capabilities and allows us to seek out the extended possibilities and opportunities that collaboration and partnership can bring. It also allows us to access the latest trends in innovation, to extend our innovation ecosystem to the global level, and to actively advocate for sustainable business practices.

In October 2022, Mona Zulficar, Chairperson at EFG Hermes Holding, represented the Firm at the Egyptian Economic Conference at the session titled “The Role of Egypt’s Sovereign Fund and Methods of Participation with the Private Sector”. Ahmad Shams, Head of Research at EFG Hermes also shared his thoughts on the timing of the proposed government IPOs and the relevant critical factors that play a role on the said IPOs.



In June 2022, Hanaa Helmy, CEO, EFG Hermes Foundation & Head of CSR, EFG Hermes Holding was invited to speak at the Aswan Forum for Sustainable Peace and Development, a platform that brings together heads of states and governments, leaders from national governments, regional and international organizations and financial institutions, the private sector, and civil society, as well as visionaries, scholars, and prominent experts for a context-specific, action-oriented, and forward looking discussion on the threats and challenges, as well as opportunities, ahead. Ms Helmy spoke of the vital role of public-private partnerships in achieving sustainable development at the panel entitled “Financing Sustainable Peace and Development in the Face of Cascading Risks.”



We were also delighted to have Mostafa Gad, Co-Head of Investment Banking at EFG Hermes, participate in the International Conference on “Egypt’s Alternative Finance Opportunities, Towards Sustainable Financing for Development” that took place in May 2022, on the panel under the title of “The Role of The Sovereign Wealth Fund of Egypt (TSFE) in Financing Sustainable Development.” The conference took place in Cairo under the auspices of the Ministry of Planning and Economic Development (MPED) and Ministry of Finance (MoF) and together with the USAID funded Macroeconomic and Stabilization Reform (MESR) Project.

The panel was chaired by Mr. Ayman Soliman, The Sovereign Fund of Egypt’s CEO.





# CONCLUSION



## Conclusion

EFG Hermes is a purpose-driven business that aims to create value that contributes to a more sustainable planet. We have made considerable strides in embedding sustainability throughout our operations and investments, however, there is still much to be done. Unsustainable production and consumption and a depletion of natural resources are leading to a global climate and biodiversity emergency. Geopolitical instability and supply chain issues are bringing many communities and industries to the brink of crisis.

Addressing these challenges requires an even more profound transformation in mindset, not least for financial institutions such as ours who are required to catalyse the investments needed. This brings tremendous opportunities for growth, but it also carries inherent risk, making it imperative to continue to build resilience and resistance to shock. The transformation we face will be viable only if we manage to make it fair and inclusive by sharing burdens as well as benefits so that it is a just transition that will create a better world for everyone.



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