



Social Responsibility Policy

Governance standards to follow in order to achieve
corporate citizenship and business sustainability

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Introduction:

Corporate citizenship represents the commitment of organizations to ethical behavior in business strategies and operations management, and the culture of the organization is related to the corporate reputation in the first place.

The current business environment is characterized by its global nature and intertwined relationships, in which investors, creditors and other related parties have become more aware of the environmental and social responsibilities and the rules of governance that fall on the institution, and which are integrated with the performance standards and the sustainability of its work in the long term. Attention to these issues has become one of the things that helps in determining the amount of profit that can be made.

In order for organizations to operate successfully and maintain steady growth rates, their board of directors must integrate these diverse dimensions and criteria at the heart of the decision-making process.

A) The role of the board of directors:

The global financial crisis has increased the urgent need for corporate boards to decide on a strategic direction based on integrated information, provided that these strategies take into consideration what goes beyond just achieving short-term financial goals. To deal with risks comprehensively, a company need to increase their understanding of the potential adverse effects of its actions on citizens and the environment, in addition to its ability to manage tangible and measurable risks, as well as risks related to its reputation. This approach can also create other benefits for institutions and maximize the owners' and stakeholders' profit by increasing the available business opportunities as well as increasing the ability of the company to enter other markets.

There is a new vision for the business world. This vision includes a set of original values that include human rights, environmental protection, anti-corruption standards, helping the board of directors to avoid any practices that affect the company's reputation, the relationship with the executive management, and accountability to the owners.

B) Defining corporate social responsibility:

Corporate social responsibility can be defined as “a set of actions and initiatives that the corporation implements to achieve social goals beyond just achieving the corporation’s interests or goals stipulated by law.”

Among the most common names for social responsibility in the business world are corporate social responsibility, corporate sustainability, and corporate citizenship. As a political term, citizenship means “active commitment,” which refers to responsibility and change-making at the local community level and at the national level.

C) Banque Misr is committed to the principles of social responsibility and global sustainability:

As a result of Banque Misr’s commitment to these international principles and standards, as Banque Misr is one of the first Egyptian state-owned banks to adhere to these principles and initiatives, Banque Misr is committed to sending annual reports stating its commitment to them, for their approval by international organizations, in line with the culture of compliance. Good governance results in enhancing continuity, consistency and effectiveness, which is of particular importance to Banque Misr. In line with the country’s action plan for sustainable development and community well-being, Banque Misr’s efforts continue in arranging its strategic priorities to be consistent with the principles of social responsibility and global sustainability of:

1 - The Global pact of the United Nations

The United Nations Global Pact is an agreement amongst the United Nations to encourage businesses around the world to adopt and report on their implementation of sustainable and socially responsible policies. The United Nations Global Pact is a principles-based framework for business that sets out ten principles related to human rights, labor, environment, and anti-corruption. The United Nations Global Pact is the world's largest initiative for corporate sustainability (also known as corporate social responsibility) with thousands of corporate participants and other stakeholders in more than 170 countries with the two objectives of "Mainstreaming the Ten Principles into Businesses around the World" and "Stimulating Actions to support broader UN goals, such as the Development Goals.

(SDGs):

The ten principles are:

- **Human rights:**

Principle 1: Companies and institutions must support, and respect internationally proclaimed human rights.

Principle 2: Institutions need to ensure that they are not complicit in human rights abuses.

- **Labor standards:**

Principle 3: Respect for freedom of association and the effective recognition of the right to collective bargaining for workers.

Principle 4: Elimination of any form of forced and compulsory labor.

Principle 5: Effective abolition of child labor.

Principle 6: Elimination of discrimination in employment and jobs.

- **The environment:**

Principle 7: Encouraging a precautionary approach to all environmental challenges.

Principle 8: Undertaking initiatives that promote environmental commitment and more responsibility.

Principle 9: Encourage the development and distribution of environmentally friendly technology.

- **Anti-corruption:**

Principle 10: Combat corruption in all its forms, including extortion and bribery.

2- Global Reporting Initiative:

This is an independent international standards organization that helps companies, governments, and other organizations understand and publicize their impact on issues such as climate change, human rights, and corruption and advertise it.

Many companies publish sustainability reports, also known as CSR or Environmental, Social and Governance Reports, under increasing pressure from various stakeholder groups such as governments, consumers, and investors to be more transparent about its environmental, economic, and social impacts. The GRI Sustainability Reporting Framework helps organizations identify, collect, and publicize this information in a clear and comparable manner.

3- Principles of Responsible Banking:

The Principles of Responsible Banking is a unique framework to ensure that the strategy and practices of the signatory banks are aligned with the vision set by society for its future in the Sustainable Development Goals and the Paris Climate Agreement, leading the way towards a future in which the banking community makes a positive contribution to people and the environment of that society. These banks represent more than a third of global banking industry.

This is an initiative of unprecedented scale and scope at a time when this ambition is sorely needed. The Principles of Responsible Banking is a unique framework to ensure that the strategy and practices of the signatory banks are aligned with the vision set by society for its future in the Sustainable Development Goals and the Paris Climate Agreement.

4 - Sustainable Development Goals issued by the United Nations:

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|--|---|
| 1. Eradication of poverty | 9. Industry, innovation and infrastructure |
| 2. Complete eradication of hunger | 10. Sustainable cities and communities |
| 3. Health coverage and provision of health care | 11. Rise in production and consumption efficiency |
| 4. Good education | 12. Climate action |
| 5. Gender equality and reduction of inequalities | 13. Management and protection of marine environment systems |
| 6. Clean water and hygiene | 14. Wildlife |
| 7. Clean and affordable energy | 15. Peace, justice, and strong institutions |
| 8. Decent work and economic growth | 16. Partnerships to achieve the goals |

5- Egypt's vision for sustainable development 2030:

First: The economic dimension:

The first axis: Economic development

The second axis: Energy

The third axis: Knowledge, innovation, and scientific research

Fourth axis: Transparency and efficiency of government institutions

Second: The social dimension:

The fifth axis: Social justice

Sixth axis: Health care

Seventh Axis: Education and Training

The eighth axis: Culture

Third: The Environmental Dimension:

The ninth axis: The environment

The tenth axis: Urban development

D) Principles and rules adopted by the Bank and the responsible sectors in the field of social responsibility:

- Achieving leadership in the field of community development with a positive and tangible impact on the Egyptian society
- Focus on the areas of education
- Job creation
- Economic development.
- Health and environmental protection
- Support and encourage development activities that have an effective impact on the society and the environment
- Providing support to scientific research centers, schools, universities, and public hospitals
- Establishing projects that achieve social solidarity in Egypt

This vision has been developed by the Board of Directors of Banque Misr, as it is responsible for the broad lines that we follow in order to implement social responsibility. The role of the institution's communications sector is limited to presenting and promoting activities that are in line with that strategy following this direction. It is related to social responsibility, given the strong influence in highlighting Banque Misr as an active member of society to be the bank of choice for clients and for the ability to continue in times of crisis because it has an advantage with clients, which turns it from one of the most popular brands to everyone's favorite brand. Accordingly, the bank shares its societal activities by all means of advertising such as :

Newspapers - television shows - talk shows - social networking sites and social responsibility videos on YouTube and the bank's website (through the official page of the bank and the page of Banque Misr for Community Development on Facebook) regarding the institution's activities in the field of social responsibility.

• Mechanisms and programs for implementing social responsibility and sustainability in the Bank:

These mechanisms and programs are the following:

Determining the administrative entities in the bank entrusted with the implementation of these policies and the methods of approving them for their activities related to social responsibility. The bodies responsible for implementing social responsibility in Banque Misr from within the bank, the institution's communications sector and the management of donations in central accounts, have approved request from the Board of Directors and the General Assembly, and from outside the bank, Banque Misr Foundation for Community Development, a non-profit organization registered at the Ministry of Social Solidarity under No. 7045/2007 Cairo. This institution is considered a legal entity independent of the bank and is managed by a board of trustees.

• **Methods of providing specific resources on a regular basis to support social responsibility activities:**

The bank donates to the Banque Misr Foundation for community service, and the foundation receives external donations. The bank also allocates financial resources through the board of directors and the approval of the bank's general assembly.

• **Designing and implementing employee participation programs**

By supporting volunteer work so that it becomes part of the work strategy within the bank's units. Banque Misr also periodically organizes Orphan's Day celebrations in a number of governorates. Employees are encouraged to join the celebrations as volunteers to organize and support the events.

E) Governance policies that the bank is committed to:

Banque Misr adopts a system of governance that includes structures, systems, and policies that ensure the optimal application of corporate governance principles, both at the level of the board of directors and its sub-committees, and at the level of executive management and internal control systems to manage compliance, risks, and internal audit. The strategic direction of the bank has incorporated social responsibility and sustainability goals as standards, which are important in its policies towards clients, employees, and society in addition to suppliers and service providers as you can see below:

Suppliers - Service Providers	Society	Staff and work environment	Clients
- Guiding principles for suppliers to operate in a responsible manner	- Supporting the community in effective ways. -Adopting initiatives, policies and protocols, and implementing societal sustainability goals in accordance with international standards -Encouraging the preservation of the environment - Reducing energy consumption and water wastage	- Fair and equitable treatment - No discrimination of any kind - Fair wages and benefits. - Convenient and safe work environment -Implementing laws, regulations, and the charter of professional conduct with all its associated anti-corruption rules - The participation of employees in social responsibility activities -Active whistleblowing protocol	- Fair access to service - Fair pricing for banking services - Wide spread of branches - Diversity of products. -Outstanding customer service - Data protection. -Strategy for financial inclusion in place

First: Governance Policy for Clients:

Applied through the following programs:

Fair access to the service:

Since our focus is on clients, our primary goal to reach the largest segment of people in Egypt, wherever they are, by providing a variety of products and services for everyone that meet the needs of all segments of society in a unified service manner, for the benefit of both the national income and the income of individuals.

Fair pricing for banking services:

We have unified banking prices in place, according to the generally accepted banking market prices.

Wide spread of branches:

The bank's branches are distributed and spread all over the country to meet the needs of all segments of society: Banque Misr has adopted an expansion strategy that enables it to operate one of the largest networks of branches in the Middle East and North Africa, where Banque Misr is famous for providing the best banking services. It has the largest network of branches and is also the first bank whose branches offer Islamic banking (Kinanah branches) and access to electronic services via the Internet.

Products Variety:

Banque Misr is committed to providing a variety of banking products that meet the needs of all segments of society as follows:

- **Corporate credit sector:** Banque Misr provides a full range of high-quality credit services and products to companies and major organizations, with the aim of promoting institutional investments, and pays special attention to institutions that consider the environment by recycling and the use of clean and renewable energy, as well as achieving an added value to the national economy and accelerating the sustainable development of the country.
- **Small and Medium Enterprises Sector:** Banque Misr pumps investments in this sector because it contributes to providing the largest rate of good job opportunities, which contributes to reducing poverty, increasing income, and increasing export by supporting growth opportunities in the small and medium companies sector as a strategic pillar. Banque Misr always seeks to increase the size of the financing portfolio for small and medium enterprises and microfinance, in line with the directions of the country, because of the great importance of this sector, which impacts the national economy and the need to include youth, women and various segments of society, which is reflected in reducing unemployment and increasing income growth per capita. We are family-inclusive, which affects the rates of the national product by increasing societal productivity and covering the requirements of the local market, as a leading financial institution in the banking field.

• **Individual sector:** Banque Misr is committed to providing a sophisticated set of financial solutions specifically designed to meet the requirements of its clients. In this regard, Banque Misr's strategy for the retail banking sector reflects the applied approach, which is based on customer care and providing banking products that meet the needs of various customer segments. Egypt grants real estate financing to people in the low-income category, with the aim of strengthening the real estate and construction sectors for low-income, according to the initiative of the Central Bank of Egypt. In line with these national directions, which provides mechanisms that contribute to the development of the real estate market, the bank believes in the necessity of providing a decent life for every citizen, considering the application of the principles of financial inclusion.

Outstanding clients service:

In addition to providing all traditional banking services, Banque Misr has been keen to enhance its digital services to clients, in line with the world's pace towards digital transformation through spread, speed, and low cost. Banque Misr has successfully taken the lead in the field of banking digital transformation through a wide range of services, which include internet banking and mobile banking to provide a faster, safer, and more convenient service for cash transactions around the clock. Banque Misr's digital banking services enable clients to conduct banking transactions anytime and anywhere, in addition, digital transformation helps the spread of banking services without a need for the client to be physically present at the branch.

Data protection:

Banque Misr always prioritizes the data protection system. Through technical and organizational measures, Banque Misr customer data cannot be accessed, changed, misused, lost, hacked, or otherwise used for unauthorized purposes, and Banque Misr is constantly working to improve their security best practices. To ensure adequate data security, the Bank regularly offers training programs to raise awareness about data protection among employees. The Data Protection Office at Banque Misr coordinates, evaluates, and monitors practices in this area, as complaints are investigated.

Set a financial inclusion strategy:

A financial inclusion sector has been created and Banque Misr believes in the importance of financial inclusion and its prominent role in enabling sustainable development and societal prosperity, as financial inclusion plays a vital role in achieving many sustainable development goals that include eliminating poverty, creating job opportunities, and promoting the right to education and health care. The Bank is interested in spreading the culture of financial inclusion through many mechanisms and initiatives that aim to provide access to banking services to marginalized and poor population groups and to include the largest possible segment of customers in the formal financial sector that operate outside the official system of the state with all available banking services, and reflects positively on the national economy and increases the country's gross domestic product.

Second: Governance Policy for Employees and Work Environment:

Employees are the most important asset to Banque Misr, which is why they ensure a broad and healthy work environment to improve production and performance. Banque Misr instills its values and commitments through employee training programs for new hires to ensure that they adhere to the highest standards of professionalism and integrity, in addition to various leadership training programs. Our employees always exhibit a deep sense of loyalty through full compliance with best practices and accountability standards.

Fair and equitable treatment:

Banque Misr respects the right to join labor unions, whereby employees have the right to join, form, or abstain from any labor union without fear of punishment, threats, or harassment.

No discrimination of any kind:

Banque Misr prohibits discrimination based on race, religion, political beliefs, gender, or any other basis.

Fair wages and benefits:

Salaries and work benefits are paid on time in accordance with labor laws and employee regulations.

Convenient and safe work environment:

Banque Misr is committed to the safety and security of their employees, in recognition of the paramount importance of occupational health and occupational safety procedures. Banque Misr ensures a safe and healthy work environment and provides humane and decent working conditions, in which employees are treated with respect and dignity.

Reducing energy consumption and water wastage:

LED lighting systems have been installed and the bank has installed solar panels in the building located in its social club. The bank has also installed VRV air conditioning systems and deployed occupancy sensors to reduce electricity and water consumption in the new administrative building in New Cairo. Banque Misr has contributed significantly to the national initiative to rationalize the rates of water and energy consumption and is making efforts to raise awareness of the need to rationalize electricity consumption.

Work environment safety as a priority:

Banque Misr adopts a strategic focus on maintaining a safe and healthy workplace for employees. The bank oversees all issues related to safety, health and the environment, and ensures that all systems are in place and working properly. All of the bank's sites are equipped with early detection and firefighting systems, and the bank employs a firefighter certified by the Central Bank of Egypt, civil protection associations, and the National Fire Protection Association (NFPA). Employees receive appropriate training in fire safety, first aid and emergency evacuation. In addition to that, the bank provides blue collar workers with safety shoes, protective masks and other tools to protect them from any potential harm.

Responsible expansion of the recycling program:

Banque Misr ensures that recycling programs are in place to allow employees to dispose and reuse materials, at the same time the Bank is keen to use more recycled and locally manufactured materials, as an effective environmental practice in supporting national economic growth.

Reduction of paper use:

Banque Misr decided to gradually stop consuming paper. Even before the digital transformation, effective steps were taken to reduce the use of paper in most in-office operations and online and offline transactions, reduction of paper consumption and other steps to reduce mailed printed materials, including monthly bank statements.

Reduction of emissions:

Banque Misr targets more positive climate measures, as it effectively contributes to reducing emissions resulting from the use of transportation by using alternative energy resources, providing its employees with mass transportation services, and banning indoor smoking at the bank's headquarters, which also contributes effectively to providing a better workplace and reducing the risk of damages caused by passive smoking is on a larger scale.

Implementation of laws, regulations, and the Code of Professional Conduct with all associated anti-corruption rules:

Banque Misr always demonstrates full commitment to employee welfare and human rights in accordance with all applicable laws, binding standards, guidelines, and agreements. The Bank is also committed to refraining from exploiting child labor, and Banque Misr permanently prohibits the employment of individuals under 18 years old.

The participation of Banque Misr employees in social responsibility events:

Banque Misr always seeks to instill the values of social responsibility into the employees' sense of loyalty towards society. The Bank firmly believes in the necessity of inculcating the social responsibility of the Bank among its employees, whether individually or collectively, as an incentive to increase employee participation and teamwork productivity, and Banque Misr

employees are fully aware that giving back to the community is very important. Our employees are keen to donate time and effort to community participation as a kind of giving back to society. A number of employee volunteer programs and charitable activities are implemented, including blood donation campaigns, school coloring initiatives, distributing gifts to school students, recurring donation campaigns to the Egyptian Clothes Bank, and annual Orphan's Day celebrations, field visits to the Bank's corporate social responsibility projects, equipment donation campaigns for hospitals, designing social responsibility initiatives that depend on the participation of the Bank's employees, as well as creating new opportunities by allowing employees to send their opinions and suggestions in this field, and transform their ideas into actual initiatives.

Activating the whistleblowing protocol:

As part of Banque Misr's culture of responsibility and commitment, Banque Misr does not allow corruption, bribery, and all violations of law or regulations and rules, so Banque Misr strictly adopts whistleblowing protocols to ensure full compliance with all laws and regulations as well as to reduce any potential risks of non-compliance. In this regard, the Bank's Whistleblowing Policy demonstrates the commitment of all employees to integrity by taking positive actions to enhance the Bank's reputation. Hence, all employees receive complementary training programs covering Banque Misr regulations and policies and the bank provides several whistleblowing channels to adequately address any concerns in terms of detecting any type of misconduct. The main reporting channels include written letters, emails, and phone calls. Whistleblowing cases can also be reported directly to senior executives and management, as well as the HR sector.

Third: Governance Policy for Society:

Achieving sustainable societal prosperity is and remains the main priority of Banque Misr. Striving to create an ecosystem, establish a solid culture of entrepreneurship and drive sustainable development goals across the country, Banque Misr is committed to building a balanced, inclusive, knowledge-based, and competitive economy that creates additional value and generates productive job opportunities.

The Bank adopts an approach based on the principle that all citizens have the right to a decent life and plays an important role in supporting society to improve living standards and achieve economic prosperity through the implementation of the country's comprehensive vision to eradicate extreme poverty by 2030.

The policy is implemented through the following programs:

Supporting the community in effective ways by adopting initiatives, policies, and protocols, and implementing community sustainability goals in accordance with international standards:

The Bank sets a good example and functions as a role model in society as a member and a good citizen in it. It participates in many activities that support social development in Egypt. The

Bank's social responsibility goals are based on promoting social prosperity in the following areas:

- The health, education, culture, economic development, and environmental protection sectors.
- Supporting and helping civil society by implementing development projects.
- Supporting and helping activities that have a strong impact on development are carried out by civil society institutions.
- Providing scholarships to outstanding university students, as well as providing financial support and all other aspects of support to scientific research centers, schools, universities, and public hospitals.
- Helping the elderly and people with special needs to live normally and assisting female breadwinners.
- The bank also allocates an annual amount of net profits to contribute to supporting community activities and supporting and financing the projects of the Banque Misr Foundation for Community Development through support and financing.
- Community projects of a ongoing nature: Banque Misr sponsors protection campaigns to warn for the danger of drugs, developing treatment units in several hospitals, and developing and beautifying some streets and squares in various Egyptian governorates.

Encouraging the preservation of the environment through the following:

Financing Environmental Projects: Banque Misr is actively working to enhance its positive environmental footprint, while increasing the efficient use of renewable resources. The Bank also ensures effective stakeholder participation in promoting environmental sustainability for a broader impact.

Developing our business by financing environmental projects to support sustainability: Banque Misr enhances national efforts to reduce ambient air pollution and greenhouse gas concentrations.

The existence of a strategy for financing environmentally friendly projects to support sustainability: It is worth noting that the bank is concerned, when studying the credit of projects, to ensure that companies obtain all the necessary environmental requirements and approvals, and when lending, the bank takes into account the commitment to the environmental requirements of these projects, as the obligation to submit the approval of the Ministry and environmental reports from the founding company to the bank as a project financier. The bank also contributes to projects related to environmental improvement.

Fourth: Governance Policy for Suppliers and Service Providers:

Banque Misr reserves the right to verify suppliers' compliance with the code of professional and ethical conduct for suppliers. It also requires all suppliers to keep all records necessary to demonstrate compliance with the laws and principles specified in the Code of Conduct. In the event of a violation, the bank has the right to take any action it deems appropriate to address this situation. The Code of Conduct is the basis of the bank's professional relationship with its suppliers (not resorting to gifts, bribery and conflict of interest with suppliers).

The rules include guiding principles for suppliers to operate in a responsible manner, including:

Banning child labor	Wages and compensation of employees
Humane treatment	Environmental protection
No discrimination based on race or religion	Hazardous materials management
Health and safety	Use of safe technologies