

February 21, 2019

EFG HERMES

Communication on Progress

Submitted to the United Nations Global Compact



COMMUNICATION ON
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Letter of Commitment

February 20, 2019

H.E. António Guterres
Secretary-General
United Nations
New York, NY 10017
USA

Dear Mr Secretary-General,

At the start of 2018, EFG Hermes took the momentous step of becoming the first financial services corporation in Egypt to sign the United Nations Principles for Responsible Investment (PRI). We have been working towards this goal since we first joined the United Nations Global Compact (UNGC) in 2011. On the one hand, it is a momentous achievement for us, made possible only by the drive and determination of our staff, the conviction of our management and the persistent support of our board of directors; on the other hand, it is a commitment that brings with it profound challenges and responsibilities in today's volatile and uncertain world.

Our journey towards a more sustainable future continues in 2019. We are proud of our achievements but understand that this is just a beginning. Over the years, we have cultivated many attributes that have made us leaders in our field. We believe that it is these same qualities that will help us solve our communities' most pressing problems and, as always, we look forward to the challenge. Our commitment to uphold the ten principles of the UNGC remains as strong as ever. We pride ourselves particularly on our advocacy for sustainability issues and it was an immense honour when Hanaa Helmy, Chief Executive Officer of the EFG Hermes Foundation and Head of CSR, was named one of 10 worldwide SDG Pioneers by the UNGC. We continue to engage with our peers through the Global Compact Network Egypt (GCNE), acting as sustainability ambassadors and encouraging more businesses to embrace measures that will ensure a better future for our children.

We recognize that a key requirement for continued participation in the Global Compact is the annual submission of a Communication on Progress (CoP) report that tracks performance on incorporating the UNGC principles on human rights, labour, environment, and anti-corruption into the firm's strategy, culture, and day-to-day operations as confirmed by a resolution issued by our board of directors. We have made a clear statement of this commitment to our stakeholders and to the public, and we are herewith pleased to submit our eighth CoP as part of our commitment to a more equitable and inclusive future.

Sincerely, yours



Karim Awad

Group Chief Executive Officer

EFG Hermes



Communication on Progress

Introduction

At the start of 2018, EFG Hermes became a signatory of the United Nations Principles for Responsible Investment (PRI), the global benchmark for investors and financial service providers to publicly demonstrate their commitment to responsible investment. As the first Egyptian financial services corporation to take this step, we understand that it brings with it many responsibilities, but it also provides us with the ability to seize new opportunities.

This step was the culmination of seven years of hard work to mainstream

environmental, social and governance issues, transforming our business culture and integrating sustainability policies into our organizational structure. Our journey started when we joined the United Nations Global Compact (UNGC) in 2011 and since then, we have made tremendous progress, but we know that it is just a start and we look forward to continuing to champion sustainability issues.

EFG Hermes is proud to continue to be an active participant in the UNGC and a founding member of the Global Compact Network

Egypt (GCNE). This Communication on Progress (CoP) report provides an overview of activities undertaken by EFG Hermes to uphold the Ten Principles of the UNGC on human rights, labour, the environment and anti-corruption and presents EFG Hermes policies and progress in each area.

	Page
Human Rights	2
Labour	6
Environment	9
Anti-corruption	12
Measurement of Progress/Outcomes	15

Human Rights

EFG Hermes' goal is to uphold the UNGC principles on human rights by engaging with stakeholders and committing to policies that minimize risk on human rights issues and improve living standards in the communities where it operates.

PRINCIPLE 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

PRINCIPLE 2:

Make sure that they are not complicit in human rights abuses.



Spotlight on ... Development

NAGA' EL FAWAL AND EL DEIR VILLAGE INTEGRATED DEVELOPMENT PROJECT

In May 2018, Orascom Construction joined the partnership between the EFG Hermes Foundation, the Kuwaiti Initiative to Support the Egyptian People and the Sawiris Foundation for Social Development to support the implementation of the Naga' El Fawal and El Deir Village integrated sustainable development project.

The village in Esna, Luxor (Upper Egypt) lies in an area with high rates of poverty and unemployment, limited access to healthcare, poor housing conditions, inadequate infrastructure, and few opportunities for economic independence. The dynamic EGP 70 million project benefits more than 60,000 inhabitants and

focuses on stimulating the local economy, providing educational and job opportunities, and upgrading community infrastructure in line with needs identified in a gap analysis conducted in collaboration with the Governorate of Luxor, local authorities and beneficiaries.

Women and youth empowerment are pillars in the project and significant progress has been made in training women to find employment and become leaders in their community.

GEMS EDUCATION INITIATIVE

In May 2018, EFG Hermes, via its private equity arm, entered into an exclusive partnership with GEMS Education, one of the world's leading providers of private English-language education

for students from kindergarten to twelfth grade (K-12), to jointly establish a new platform focused on Egypt's highly underserved K-12 education sector. With 20 million enrolled students, Egypt offers significant opportunities for creating value in education.

In December 2018, EFG Hermes announced the successful first close of the Egypt Education Fund with total commitments of USD 119 million indicating the commitment of investors to the sector. As a first project, EFG Hermes and GEMS Education have established a strategic alliance with Talaat Mostafa Group (TMG) to acquire, operate and develop K-12 schools in the cities of Madinaty and Al Rehab.

Policy & Progress Review – Human Rights

Policies/Actions	Progress
EFG Hermes values	<ul style="list-style-type: none"> - Continued dedication to our four core values of integrity, leadership, value creation and commitment.
Commitment to sustainability	<ul style="list-style-type: none"> - Continued support for the Corporate Social Responsibility (CSR) Department as the lead EFG Hermes division responsible for the advancement of sustainability issues within EFG Hermes. - Over 91% of employees have participated in mandatory responsible investment training. - Release of the fourth annual sustainability report (SR) covering 2017 and preparation of the fifth annual SR to be issued in March 2019.
Stakeholder engagement	<ul style="list-style-type: none"> - Hanaa Helmy, Chief Executive Officer of the EFG Hermes Foundation and Head of CSR, named one of 10 global SDG Pioneers for 2018 by the United Nations Global Compact. - Speaking engagements at numerous high-profile events including: <ul style="list-style-type: none"> o UNGC Leaders’ Summit (New York, September 2018) o Global Compact Network Egypt Conference (Cairo, October 2018) o Business for Peace Annual Event (Cairo, November 2018) - Continuing internal awareness campaigns to highlight sustainable development issues and promote the Sustainable Development Goals (SDGs). - 20 collaterals published for CSR initiatives on multiple assets (Facebook, Twitter, Portal, Screens, LinkedIn, etc.). - Promotion of sustainability measures within the investment and finance industry through membership in the Sustainability Advisory Committee (SAC) of the Egyptian Stock Exchange (EGX) and the GCNE.
Employee engagement	<ul style="list-style-type: none"> - Participation by employees in voluntary activities promoting sustainability including fundraising activities, community development initiatives, and social media engagement.
Corporate citizenship	<ul style="list-style-type: none"> - Expansion of the EFG Foundation’s Naga’ El Fawal and El Deir Village integrated development project to EGP 70 million after Orascom Construction joined the partnership with the Kuwaiti Initiative for the Support of the Egyptian People and the Sawiris Foundation for Social Development. - Thanks to Foundation efforts, Naga’ El Fawal was included in the official governmental urban plan. - Development and refurbishment of El Deir Health Unit to serve more than 60,000 citizens. - Licenses, legal paperwork and beneficiary approval obtained for the demolition and reconstruction of the first phase of the houses with 17 houses ready and 7 more in the pipeline. - MOU between the Foundation and the Luxor Company for Water and Wastewater (LCWW) to replace asbestos-containing water pipe network and provide all houses with clean water. Work on the water network is now complete and the Foundation is now working on the sanitation network and the establishment of a wastewater treatment plant in cooperation with the community and the LCWW. - In collaboration with the Luxor governorate, Luxor city and the local unit, land has been allocated to the EFG Hermes Foundation to establish a

Policies/Actions	Progress
	<p>community centre that includes a nursery, a sewing workshop and a training centre.</p> <ul style="list-style-type: none"> - Literacy eradication training using the Montessori method conducted for 23 beneficiaries in collaboration with the MOVE Foundation for Children with Cerebral Palsy to economically empower residents and encourage economic independence and entrepreneurship. A further 24 beneficiaries received training from the Move Foundation to be able to identify different types of disabilities based on the demands and needs of the Fawal community. The community centre nursery will also include a class for children with special needs. - The EFG Hermes Foundation, together with the local community, the Esna local unit and the governorate of Luxor, joined forces to establish a local community development association (CDA), El Fawal Association for Integrated Development, registered under the Ministry of Social Solidarity. Its board members are from Naga' El Fawal and it will be responsible for managing the local income generating projects.
Accessible financing	<ul style="list-style-type: none"> - EFG Hermes Leasing successfully signed three agreements with commercial banks to finance SMEs at subsidized interest rates, the Egyptian Arab Land Bank, Ahli Bank of Kuwait and HSBC. - The company succeeded in directing EGP 500 million of its available funds towards the SME segment throughout the past three years, which helped to increase the contribution of SMEs in the portfolio to 16% by end of year 2018 compared to 6% at end of 2017. - EFG Hermes continues to provide microfinance solutions through its subsidiary Tanmeyah Microenterprise Services, Egypt's leading private-sector microfinance provider. Tanmeyah offers comprehensive microfinance solutions to owners of very small businesses across Egypt who would otherwise have no access to the banking sector. - In 2018, Tanmeyah increased its number of branches from 150 to 248 and reached a milestone of serving over one million clients since its establishment. - Tanmeyah is also an active participant in local community engagement projects, particularly those that further the development of human capital and help create jobs. The company has contributed to the establishment of vocational training workshops that teach carpentry and pottery to community members with special needs, so they can obtain the skills necessary to establish income-generating projects. - EFG Hermes also continued to operate state-of-the-art Fintech solution under the brand name 'valU', offering Egyptian consumers payment-on-installment programmes as part of the firm's continuing efforts to ensure equitable access to financing throughout the country.
Right to education	<ul style="list-style-type: none"> - Successful first close of the Egypt Education Fund with total commitments of USD 119 million in partnership with GEMS education. - A strategic alliance with Talaat Mostafa Group (TMG) to acquire, operate and develop K-12 schools in the cities of Madinaty and Al Rehab. - Model Egyptian Stock Exchange (MESE) Cairo University conference attended by 210 students in addition to two Juniors Programme Sessions (150 students); two sessions at EFG Hermes HQ (114 students); and a Specialization Day (100 students).

Policies/Actions	Progress
Human rights	- New policy statement on Human and Labour Rights.
The EFG Hermes Supplier Code of Conduct	- The EFG Supplier Code of Conduct requires suppliers to uphold sustainability beliefs shared by EFG Hermes and all applicable laws regarding labour and human rights, health and safety, environmental protection and ethics practices whenever they make products or perform services for EFG Hermes.

Labour

EFG Hermes upholds the UNGC principles on labour with a clearly defined set of policies and a commitment to investing in the professional development and well-being of its employees.

PRINCIPLE 3:

Businesses should uphold freedom of association and effective recognition of the right to collective bargaining.

PRINCIPLE 4:

The elimination of all forms of forced and compulsory labour.

PRINCIPLE 5:

The effective abolition of child labour.

PRINCIPLE 6:

Eliminate discrimination in respect of employment and occupation.



Spotlight on ... Policy Development

With the firm belief that protecting the rights of its employees is of paramount importance and in line with the UN Guiding Principles on Labour & Human Rights, EFG Hermes articulated two statements in 2018 to complement its existing policies.

Statement on Human and Labour Rights

In keeping with the definition of human rights as rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status, this statement extends to all EFG Hermes employees. We comply with the laws

and regulations of the countries we operate in; where our internal standards supersede what is mandated by law, we will always apply what enhances to employee rights and entitlements. Where local laws may stand in the way of the application of our standards for human rights, we will ensure we comply with the laws while having conversations with the related organizations to find ways of ensuring our adherence to our human rights standards.

Statement on Health and Safety

EFG Hermes believes that health and safety of our

employees, visitors and customers is essential to our sustainable success. The commitment to a Health and Safety policy will help the Group achieve a healthy and safe work environment and applies both to Group offices and to people who carry out work at the direction of the Group. The primary aim of the policy is to fulfil all corporate and legal health and safety responsibilities by implementing and maintaining policies, procedures and practices to provide a healthy and safe environment for all employees, visitors and customers.

Policy & Progress Review – Labour

Policies/Actions	Progress
Career development programmes	<ul style="list-style-type: none"> - 6169 in-class training hours (excluding online hours) delivered to 520 employees amounting to an overall increase in the number of training hour by 23.4% (YoY), including virtual and in-class courses. - 1760 training hours delivered via the Academy, EFG Hermes' online platform for professional development. - The percentage of untrained employees dropped by 8.6% in 2018 vs. 2017. - A 18% increase (a total of 191 interns in 2018) in the intake of interns for the Experiential Learning Programme across EFG Hermes offices. - New-hire training sessions have been extended to frontier market offices through the Online Onboarding Programme which includes all forms and policies they need to sign as well as any country-specific requirements to ensure compliance with local regulations.
The EFG Hermes Employee Handbook	<ul style="list-style-type: none"> - The EFG Hermes Employee Handbook clearly sets out employee rights in terms of conditions of employment, performance management, leave entitlements, recruitment, and employment termination procedures. It is available to all employees on the company intranet.
The EFG Hermes Code of Conduct	<ul style="list-style-type: none"> - The EFG Hermes Code of Conduct defines a clear set of standards for business conduct of employees and is available to all employees on the intranet.
Policies to ensure labour rights	<ul style="list-style-type: none"> - New policy statement on Human and Labour Rights.
Policies to ensure workplace diversity and fair recruitment practices	<ul style="list-style-type: none"> - Policies to prevent discrimination by nationality. - 'Know Your Employee' Policy. - Mandatory pre-employment background checks for New York office employees by an independent outside agent as mandated by state regulations.
Wellbeing, safety and health policies	<ul style="list-style-type: none"> - New policy statement on Health and Safety. - All employees in the UK, USA, Kenya, Bangladesh and Pakistan receive life insurance benefits through the same coverage and provider. - Medical Insurance coverage is provided to UK, Kenya and Bangladesh employees in line with coverage offered to other employees. - Pakistan employee medical insurance coverage has been upgraded in line with EFG Hermes standards. - Medical insurance for USA employees is offered through a local provider in line with EFG Hermes standards. - A pension scheme for UK employees as mandated by local law. - 401k pension scheme offered to US employees according to market and industry norms even though not mandated by law. - The 'Fit-for-Life' programme supervised by a certified fitness trainer and nutritionist. - On-site gym facilities. - Encouragement of employees to participate in team activities such as the World Health Day in-house fitness tournaments and the Bloomberg Square Mile Relay in Dubai. - Organization of cultural activities such as book fairs and handicraft exhibitions. - Medical and Life Grant policies for all employees.

Policies/Actions	Progress
Policies to encourage employee engagement	<ul style="list-style-type: none"> - An online portal to provide new hires with vital information ranging from minor details such as the dress code, to more important matters such as regulatory requirements and policies. - The EFG Hermes Connect app is designed to streamline processes such as requesting vacations and HR letters, checking official holidays and pay days and provides access to all internal announcements and other important information. - Automation of travel workflows starting from requesting the business trip, getting approvals and digital settlement of employee expenses. The system is integrated with EFG Connect to allow employee to request business trip remotely. - 'Whistle-blowing' Policy. - The 'Voice It' programme is an online tool for employees at all levels across the firm to communicate innovative ideas and voice complaints anonymously and discreetly.

Environment

EFG Hermes is committed to upholding the UNGC principles on the environment by minimizing the environmental risk surrounding our operation and investments.

PRINCIPLE 7:

Businesses should support a precautionary approach to environmental challenges.

PRINCIPLE 8:

Undertake initiatives to promote greater environmental responsibility.

PRINCIPLE 9:

Encourage the development and diffusion of environmentally friendly technologies.



Spotlight on...the SDG Pioneers

Chief Executive Officer of the EFG Hermes Foundation and Head of CSR Hanaa Helmy was recently recognized by the UN Global Compact—the world’s largest CSR initiative—as one of 10 Sustainable Development Goal (SDG) Pioneers in 2018 for her work in investing in social development and advancing sustainability in Egypt.

Since 2006 and as the founding CEO of the EFG Hermes Foundation, Helmy has championed numerous social development initiatives across the country. She has also been instrumental in cultivating

the organization’s holistic approach to sustainable development, educating and onboarding internal stakeholders and overseeing the growth of its projects and partnerships. Through the efforts of Helmy and the Foundation, EFG Hermes joined the UN Global Compact in 2011, aligned its social investment efforts with the SDGs, developed tailored environmental, social and governance strategies for relevant business lines, and—as of 2018—became a signatory of the United Nations Principles for Responsible Investment.

Recognition

Hanaa Helmy
2018 SDG Pioneer
The United Nations Global Compact

Best Sustainable Financial Provider
The European’s Global Banking & Finance Awards

FTSE4Good Emerging Index
One of only six MENA constituents

Policy & Progress Review – Environment

Policies/Actions	Progress
Environmental, Social and Governance Policy	<ul style="list-style-type: none"> - A commitment to the United Nations Principles for Responsible Investment (PRI) in Q1 2018. - PRI preparation workshops held for four business lines in both Cairo and Dubai. - Enrolment in Responsible Investment eLearning Course now mandatory for all staff. The course provides an introduction to PRI requirements as well as to EFG Hermes' Environmental, Social and Governance policy launched in 2017. - In line with the UNPRI requirements for reporting and the Egyptian Exchange model guidance for reporting on ESG performance, EFG Hermes is transparent about its ESG activities and has made the EFG Hermes ESG summary policy available on its website and internal portal. - Disclosures on EFG Hermes ESG integration efforts are made on an annual basis in the sustainability report.
Responsible investing	<ul style="list-style-type: none"> - Managed by EFG Hermes' Private Equity Department, the Vortex Renewable Energy platform, one of the largest renewable energy-focused investment managers in Europe, is currently expanding into global markets, with an aim to geographically diversify its clean energy footprint. Vortex continues to actively engage in new clean energy investment opportunities. Further it has established a specialized asset management arm in the United Kingdom. The UK-based office provides day-to-day technical and financial services to Vortex' solar PV portfolio, aiming to improve performance and create further value to the platform through potential synergies. - EFG Hermes Finance, Egypt's only alternative energy lease finance solution, has entered into two vendor agreements with solar station suppliers Karm Solar and Solarize in a strategic alliance to provide clients with solar stations through a leasing facility. By providing agri-business with access to subsidized financing for renewable energy solutions, clients can generate savings from the product itself and decrease their carbon footprint. - EFG Hermes Finance also signed a specialized agreement with the Saudi Development Fund to finance the renewables and health care sectors with a portion of the fund directed to finance SMEs in different governorates.
Energy conservation	<ul style="list-style-type: none"> - Continued migration to clean energy solutions by installation of solar panels at the Egypt HQ with a capacity of 24KW which is equal to 2% of current electric consumption. - Promotion of <i>Felsekka</i>, EFG Hermes' carpooling initiative to encourage employees to reduce their carbon footprint. - Employees are also encouraged to use ride-sharing apps such as Careem for business-related trips to decrease stress related to poor traffic conditions (13,181 Careem rides in 2018).
Green IT	<ul style="list-style-type: none"> - Transformation of several manual tasks (debit interest, order compliance, commission, monitoring of pending orders & reporting, etc.) into automated processes across brokerage and compliance,

Policies/Actions	Progress
	<p>resulting in increased compliance assurance, time saving (137 working days to 36 working hours) and resources (100% reduction in paper consumed).</p> <ul style="list-style-type: none"> - Reducing the power consumption of the computing devices in the headquarters by replacing 50% of the old desktop computers with more energy efficient power supplies. - Using online meeting, web conferencing and videoconferencing applications for an average of 3,600 meetings in 2018. - Continued transformation of physical servers to virtual ones using cloud technology. - Safe disposal of all e-waste via certified companies in Egypt and the UAE.
Resource management	<ul style="list-style-type: none"> - EFG HR Connect continues to minimize the use of paper by providing employees virtual access to internal documents such as CEO Notes, leave requests and approvals, latest corporate news, etc., to reduce waste and increase savings. - Continued recycling practices across all EFG conferences and events.

Anti-corruption

To uphold the UNGC principles on anti-corruption, EFG Hermes takes an energetic, proactive approach to corporate governance, compliance, auditing and risk management.

PRINCIPLE 10:

Businesses should work against all forms of corruption, including extortion and bribery.



Spotlight on...Governance

We pride ourselves on being industry leaders in terms of corporate governance and we demand the highest ethical standards of our employees. We have also invested considerable time, effort, and resources in establishing internal policies and controls that ensure that all of our activities are in compliance with international best practices.

We also believe that it is imperative that we promote good governance throughout our areas of influence. This extends to our award-winning research department, which has started to place greater focus on corporate governance in research reports, particularly in frontier markets.

We have also successfully passed the surveillance audit for the third year in a row to retain ISO

22301:2012 certification in Egypt, KSA and the UAE from the British Standards Institution (BSI) in recognition of our compliance with the highest international standards for business continuity management.

In light of our expansion into frontier markets and the establishment of a Pakistan office, we make sure that all those who join our firm are up to date in terms of mandatory courses and policy awareness through our Online Onboarding Programme which includes all forms and policies as well as any country-specific forms to ensure compliance with local regulations. For Pakistan, we instituted a phased roll-out of policies to avoid overwhelming our new staff members and to make sure each policy is understood.

Highlights

Completed the two-phased Cyber Security Compromise and Risk Assessment for all EFG Hermes networks and systems.

Obtained a license from FINRA for EFG Hermes USA.

Complied with Markets in Financial Instruments Directive (MiFID II), an EU law that seeks to boost investor protection and market transparency.

Complied with the Common Reporting Standards Regulations.



Policy & Progress Review – Anti-corruption

Policies/Actions	Progress
Corporate governance	<ul style="list-style-type: none"> - In 2017, EFG Hermes announced a comprehensive corporate restructure in the wake of its sale of its stake in Credit Libanais, signalling the end of the 2013 – 2016 strategic plan and the achievement of all goals set out by the Board of Directors in conjunction with the management team. - The new management structure is designed to streamline operations, increase efficiency and help in the achievement of the new 2017 – 2020 strategic plan. - The new structure has been disclosed to all stakeholders and ratified by the Board of Directors. - Under this new framework, the Board of Directors was restructured during the year to comply with the Egyptian Financial Regulatory Authority’s (FRA) corporate governance regulations. - EFG Hermes is fully compliant with FRA regulations and EGX listing rules, which require companies to appoint new board members every three years. - To better instil sound corporate governance practices, the Firm restructured its Board committees, splitting the Audit and Risk functions into two independent committees and adding a Corporate Governance and Nomination Committee and Business Risk and Compliance Committee. - The Firm also obtained a license from FINRA for EFG Hermes USA; complied with the Common Reporting Standards Regulations; and complied with Markets in Financial Instruments Directive (MiFID II), an EU law that seeks to boost investor protection and market transparency.
Policies on: <ul style="list-style-type: none"> - Code of Conduct - Staff Dealing - Group Compliance - Information Disclosure - Whistle-blowing 	<ul style="list-style-type: none"> - All policies are available to employees on the intranet. - 100% of the workforce have signed and acknowledged the Code of Conduct. - An orientation package is available to give all trainees and newly hired employees a comprehensive view of all policies and operations.
Mandatory anti-money laundering and anti-fraud courses	<ul style="list-style-type: none"> - The training completion rate for the anti-money laundering, anti-fraud, responsible investment, general data protection regulation (GDPR), and cyber security courses is over 91% for 2018. - Rigorous due diligence processes are in place.
Internal audit, compliance and risk management policies	<ul style="list-style-type: none"> - Strong internal control and risk management culture serves to ensure the alignment of business to management’s strategic goals. - Internal Audit renewed its commitment to monitor, assess and, where possible, strengthen business and support functions’ sustainability efforts, including integration of the ESG policy in its standard procedures.

Policies/Actions	Progress
	<ul style="list-style-type: none"> - EFG Hermes maintained its ISO22301 certification from the British Standards Institute renewing its commitment to business continuity management. - Continued inclusion in the FTSE4Good Emerging Index, a market-leading tool for investors that wish to align their portfolios with their values or seek to invest in companies based on their management of ESG risks and demonstration of leading management practices.
Cybersecurity	<ul style="list-style-type: none"> - After completing the 'Cyber Security Compromise Assessment' for all EFG Hermes networks and systems in 2017, the IT department successfully implemented the second phase, the 'Cyber Security Risk Assessment' in 2018. - International best practices are followed in the operation of all EFG Hermes data centres.

Measurement of Progress and Outcomes

EFG Hermes has always held the belief that prudent management and a strict culture of compliance, auditing and risk management is the only way to manage the rules and regulations of multiple authorities and regulators in Egypt, Jordan, the US, the UK, Gulf Cooperation Council (GCC) countries and beyond to our new frontier markets such as Pakistan, Bangladesh and Kenya.

To maintain our reputation and market leadership as we expand into new countries and launch new products, we insist on the highest levels of transparency, accountability and integrity. Our Auditing, Compliance, Risk and Human Resource Departments continuously monitor and evaluate performance against KPIs, benchmarks and policies.

As the Firm continues with its bid to incorporate ESG best practices into every facet of the operation and to start reporting on UNPRI requirements, the scope of our audit has expanded to include close monitoring of progress and outcomes related to sustainability KPIs. These stricter measures are designed to ensure that sustainability commitments and all applicable laws regarding labour, human rights, the environment and anti-corruption practices are met across all business lines, subsidiaries and markets.