



≡ RETHINK

Delivering for Generations

EFG Hermes
United Nations Global Compact
Communication on Progress 2015

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Letter of Commitment

February 3, 2016

H.E. Ban Ki-moon
Secretary-General
United Nations
New York, NY 10017
USA

Dear Mr Secretary General,

As Egypt's leading investment bank, we are more committed than ever to developing an internal culture of sustainability, and to working with our local and international stakeholders to achieve sustainable growth and development within the context of our corporate values. Our aim is to establish a business model that can strike a balance between economic growth and sustainability-oriented governance.

Solid values have been central to EFG Hermes' success since its founding in 1984. In 2014, we redefined our vision and articulated a set of values that describe the kind of institution EFG Hermes aspires to be in the coming decades. In 2015, we issued our first stand-alone Sustainability Report (2015) in conjunction with our Annual Report and we committed to a series of actions and activities designed to further our commitment to sustainability. We began by developing clear guidelines, practical and implementable policies, monitoring implementation, and ensuring accurate and transparent reporting. We realised however that achieving systemic change required a transformation in corporate culture starting on an individual level, moving through the layers of our corporate culture and extending to external stakeholders. This has been our focus this past year: making sustainability central to our thinking throughout our operations.

We are pleased to confirm that EFG Hermes continues to support the ten principles of the United Nation's Global Compact (UNGC) with respect to human rights, labour, environment, and anti-corruption. 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 ten principles in 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 general public and we are herewith pleased to submit our fifth CoP.

Sincerely, yours



Karim Awad

CEO

UPHOLDING THE UNGC PRINCIPLES

In many ways, 2015 was a watershed year in terms of global commitment to sustainability. In September, the United Nations' 193 member states unanimously adopted 17 Sustainable Development Goals (SDGs) that address the social, economic and environmental dimensions of sustainable development over a period of 15 years. The adoption of this bold and ambitious agenda was followed by the Paris Conference on climate change, with 187 countries pledging collective action to cut carbon emissions.

While turning this agenda into reality will primarily require governments to enact policies that restructure how we produce and use energy, it will also require vast mobilization of financial, technological and human resources. This will have significant consequences for business and will extend to all sectors over the coming years. The time to plan for these eventualities is now. Businesses that neglect sustainability will be left behind in a rapidly changing world.

Our support for the UN Global Compact underscores the importance that we attach to corporate sustainability and our commitment to creating a transparent and responsible business environment. This Communication on Progress (CoP) report provides an overview of activities undertaken by EFG Hermes to uphold the United Nations Global Compact (UNGC) principles on human rights, labour, the environment and anti-corruption. The summary below presents the 10 principles and the corresponding EFG Hermes policies and progress in each area and is followed by a detailed report on our sustainability initiatives and activities over the past year.

Human Rights

- **UNGC Principle 1** - Businesses should support and respect the protection of internationally proclaimed human rights.
- **UNGC Principle 2** - Make sure that they are not complicit in human rights abuses.

Policies	Progress
EFG Hermes values	- Continued commitment to our four core values of commitment, value creation, leadership and integrity
Commitment to sustainability	<ul style="list-style-type: none"> - Developed a 'Sustainability Tab' on our corporate website. - Developed a presentation highlighting our commitment to sustainability and clarifying why we need to 'rethink' our practices in more sustainable terms - Release of the first annual stand-alone sustainability report in mid- 2015 with the second one due in mid- 2016. - On-going efforts to develop internal guidelines, policies and strategies to advance EFG Hermes' commitment to sustainability. - Initiation of a process to contract an independent consultant to develop a full sustainability strategy for EFG Hermes. - Sustainability will become a mandatory course for all employees are required to pass. - Sustainability values are incorporated into the annual performance review process.

Policies	Progress
Stakeholder engagement	<ul style="list-style-type: none"> - The sustainability presentation is now part of the orientation process for new hires. - The Quarterly Employee Sustainability Competition has been administered four times in 2015 and winning ideas have been implemented to encourage employee engagement. - On-going communication with media partners on sustainability policies and practices. - Participated in the first EGX Sustainability Conference capitalizing on media presence through key interviews conducted with major publications such as Yum7 & Al-Mal. - Communicated sustainable practices on the recently launched EFG Hermes Facebook page.
Community stewardship	<ul style="list-style-type: none"> - Integrated community development through a variety of projects and initiatives such as Al-Makhzan village development project, the Assiut University Arthroscopic Surgery Unit, support for the MOVE Foundation for Children with Cerebral Palsy, and the KidZania Public School 'Edutainment' initiative. - Financial literacy programmes including tutorial videos, collaboration with Microsoft's online educational platform 'Masr Ta3mal', and sponsorship of the Model Egyptian Stock Exchange in partnership with Ain Shams University. - Encouraging social responsibility and volunteerism among employees through regular blood drives, support for the Egyptian Children's Cancer Hospital, as well as through mentorship programmes that connect young professionals at EFG Hermes with university students.
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.
The EFG Supplier Code of Conduct	<ul style="list-style-type: none"> - Put into practice in 2015, 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

- **UNGC Principle 3** - Businesses should uphold freedom of association and effective recognition of the right to collective bargaining.
- **UNGC Principle 4** - The elimination of all forms of forced and compulsory labour.
- **UNGC Principle 5** - The effective abolition of child labour.
- **UNGC Principle 6** - Eliminate discrimination in respect of employment and occupation.

Policies	Progress
Career development programmes	<ul style="list-style-type: none"> - Career Development Opportunities: Over 5,900 hours of training by the end of January 2016 (Note: our training year doesn't end until 30 March 2016.) - The Learning and Development Policy: Increase of 16.67% in the learning and development budget for 2015-2016. - The Internship Programme: Double the intern intake with 90 interns in summer 2015 compared to 45 in summer 2014.
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.
Employee engagement policies	<ul style="list-style-type: none"> - 'Whistle-blowing' Policy - A complaints and suggestions box has been installed and employees have been aware of its purpose. - 'Voice It' was launched as an online complaint account: voiceit@efg-hermes.com
Wellbeing, safety and health policies	<ul style="list-style-type: none"> - Medical benefits: Survey administered (62% completion rate) on medical insurance needs before renewing with the local medical insurance provider to ensure employee satisfaction with services. - Life Grant: The Life Grant has been enhanced significantly with new benefits added.

Environment

- **UNGC Principle 7** - Businesses should support a precautionary approach to environmental challenges.
- **UNGC Principle 8** - Undertake initiatives to promote greater environmental responsibility.
- **UNGC Principle 9** - Encourage the development and diffusion of environmentally friendly technologies.

Policies	Progress
Responsible Investing	<ul style="list-style-type: none"> - Renewable energy has become a key focus for the energy and infrastructure side of EFG Hermes' private equity. - In 2016, the Firm is looking to deploy a substantial amount of equity into wind and solar in Europe and MENA.
Environmental, Social and Governance Policy	<ul style="list-style-type: none"> - Preliminary groundwork undertaken to prepare the ESG policy and to incorporate the UNPRI's 6 Principles.
Energy Efficiency	<ul style="list-style-type: none"> - Implementation of the energy efficiency action plan (including measures such as the installation of LED light bulbs and thermal window film and the encouragement of energy-saving behaviour) has resulted in energy savings of up to 50% of energy consumption in some areas at the Egypt HQ.
Resource Management	<ul style="list-style-type: none"> - E-statements will be provided to clients as an alternative in 2016. - A number of recycling and resource conservation initiatives were implemented. These include the save-waste campaign, paper recycling and reuse in Egypt and Jordan; mandatory double-sided printing; and e-waste recycling, among others. - A carpooling system is being developed.

Anti-Corruption

UNGC Principle 10 - Businesses should work against all forms of corruption, including extortion and bribery.

Policies	Progress
Policies on: <ul style="list-style-type: none"> - Staff Dealing - Group Compliance - Information Disclosure - Disaster Recovery - “Chinese Wall” - Anti-Fraud and Corruption - Whistle-blowing - Anti-Money Laundering 	<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.
Mandatory anti-money laundering and anti-fraud courses	<ul style="list-style-type: none"> - 90% of the workforce took the AML and anti-fraud training in 2015. - Rigorous due diligence processes.
Internal Audit and Risk Management Policies	<ul style="list-style-type: none"> - Highly developed and rigorous internal auditing engagements. - Strong internal control and risk management culture to ensure the alignment of business to management’s strategic goals. - Internal Audit followed up with HR and Administration on their sustainability goals during internal audit engagements in 2015. This was to ensure they are upholding their commitment to sustainability and are implementing new sustainability policies like the Supplier Code of Conduct. - Internal Audit is renewing its commitment to monitor, assess and, where possible, strengthen business and support functions’ sustainability efforts.

EFG HERMES OVERVIEW

WHAT WE DO

Established in 1984, EFG Hermes is the leading investment bank in the Arab world and provides a comprehensive spectrum of financial services including investment banking, asset management, securities brokerage, research and private equity. Additionally, EFG Hermes owns a 63.7% majority stake in the Lebanese commercial bank Crédit Libanais. Through its operations in Egypt, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia and the UAE, EFG Hermes serves a considerable and diversified client base from the Middle East and North Africa to Europe, Africa and the United States. In addition, the Firm also has indirect presence in Morocco, Bahrain, Palestine and Iraq serving a total of over 102,400 clients worldwide.



AWARDS AND RECOGNITION

Asset Management:

- Egypt Equity: EFG Banque du Caire I (Cumulative) – MENA FM & Lipper Awards
- Egypt Asset Manager of the Year – MENA FM Awards
- The MENA Opportunities Fund – Best Hedge Fund – MENA FM Awards
- Saudi Arabia Equity Fund – Saudi Equity Fund of the Year (3-Year Performance) – MENA FM Awards
- Bank of Alexandria III Fixed Income Fund: Highly Commendable Certificate – 3-Year Performance – MENA FM Awards
- Credit Agricole III Money Market Fund: Highly Commendable Certificate – MENA FM Awards
- Asset Manager of the Year by EMEA Finance – African Banking Awards
- Best Asset Manager in Egypt by EMEA Finance – African Banking Awards
- Best asset in the UAE – Middle East Banking Awards
- Best Asset Management Company Egypt 2015 – Global Banking and Finance
- Best Egyptian Fund: BOA Fixed Income Fund & Best for Discretionary Portfolio Management – Acquisition International Magazine
- Egypt Asset Manager & MENA Asset Manager – MENA Fund Manager

Investment banking:

- Best Equity Deal of the Year in Africa – The Banker ACC
- Best Investment Bank in Egypt – Euromoney Awards for Excellence
- Best Investment Banking Brand in Egypt – Global Brands Magazine
- Best Investment Banking Company in Egypt 2015 – Global Banking and Finance

Research

- Only MENA Research House ranked on Inst. Investor Ranking for Europe, the Middle East & Africa

Securities Brokerage

- Broker of the Year in Egypt, Kuwait & Oman –Global Investor/isf Awards
- Best Broker in Egypt – EMEA Finance African Banking Awards
- Best broker in the Middle East, Jordan, Kuwait, Oman & UAE – EMEA Finance ME Banking Awards
- Best Brokerage House in Egypt 2015 – Global Banking and Finance
- Best Brokerage Services Company – MENA Fund Manager

OUR VALUES

OUR VISION

We will strive to strengthen our position as the MENA region's leading investment Firm and to expand our reach beyond current borders. Drawing on more than three decades of **commitment** to excellence, we have built a track record of **integrity, leadership** and **value creation** that has earned us wide recognition as regional pioneers.

At EFG Hermes, we believe in:

Integrity

We strive to operate with **integrity** in everything we do, aspiring to transparency and adhering to global best practices in corporate governance.

Leadership

We take a broad view of **leadership**, fostering talent at all levels of the Firm who lead the market by example and capitalize on the brand equity created by a winning team to diversify our business and expand our footprint.

Value Creation

We maintain a sharp focus on recognizing and capturing opportunities to sustainably **create value** for all our stakeholders.

Commitment

We **make our commitments** to these principles of integrity, leadership and value creation universal to all our stakeholders, from our clients and our employees to the communities in which we do business.

OUR COMMITMENT TO SUSTAINABILITY

Our guiding strategy has always been firmly rooted in the adherence to five core principles: **People, Products, Positioning, Presence** and **Profitability** which have helped us achieve our goals and maintain our status as the leading investment bank in the region.

In 2014, we made a commitment towards sustainability and adopted **Public Responsibility** as a sixth core principle. We believe that firms such as ours cannot thrive if they do not fully understand their role in society and in the communities that they serve.

We aim to develop an internal culture of sustainability and to work with our local and international stakeholders to achieve sustainable growth and development within the context of our corporate values.

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.

RETHINK: CORPORATE CULTURE

In our first sustainability report (2015), we committed to a series of actions and activities designed to further our commitment to sustainability. The Corporate Sustainability Committee (CSC) was formed to oversee the integration of sustainability across our business by developing clear guidelines, practical and implementable policies, monitoring implementation, and ensuring accurate and regular transparent reporting.

As the year progressed, we realised that while we may have been meeting our commitments, our methodology needed to be refined. Sustainability issues were unclear and their value undefined compared to the clear-cut goals of creating financial value for investors and clients. The new requirements were an afterthought, an added burden. We realised that achieving systemic change required a transformation in corporate culture starting on an individual level, moving through the layers of our corporate culture and extending to external stakeholders.

THE 'RETHINK' INITIATIVE

'Rethink' is an initiative that aspires to see sustainability policies implemented across all levels and departments at the firm. The core of the 'Rethink' campaign is to reimagine activities, achievements and messages so that they are conducive to sustainable habits that will help further our business practices as well as benefit our society and environment. Our aim is to establish a business model that can strike a balance between responsible economic growth and sustainability-oriented governance.



THE GREEN TEAM

The Green Team was formed as a dynamic action group and assigned the job of putting the policies developed by the CSC into motion. It consists of a group of dedicated and inspiring staff members including the pioneers of the 'Rethink' initiative. They have worked tirelessly to jumpstart the drive towards a more sustainable formula for EFG Hermes' business practices, and are committed to leading by example.

As part of the 'Rethink' initiative, the Green Team conceived a variety of innovative programmes and methods to galvanise employees, engage stakeholders and lay the groundwork for a transformation in corporate culture.

STAKEHOLDER ENGAGEMENT

To maintain our position of leadership in the region, we need a clear understanding of our stakeholders' needs. We also need to raise their awareness on the importance of sustainability in shaping EFG Hermes' strategy. In 2015, we engaged with our stakeholders both formally and informally using a number of innovative activities and resources to promote our sustainability agenda.

THE SUSTAINABILITY TAB

The Green Team developed an internal webpage on EFG Hermes' portal to serve as the go-to place for employees to learn more about the importance of sustainability to EFG Hermes. The webpage includes a variety of resources designed to raise employee awareness on sustainability issues:

- ❖ A presentation explaining the concept of sustainability in simple terms in both English and Arabic.
- ❖ Financial literacy video segments
- ❖ Weekly sustainability messages
- ❖ Other relevant documents such as the Supplier Code of Conduct

SAVE-WASTE CAMPAIGN

The team has also developed a number of messages that encourage sustainable thinking under the umbrella slogan 'save vs. waste.' The online sustainability awareness campaign available on the company intranet fosters a resource conservation mind-set and encourages employees to reduce waste, conserve energy and recycle whenever possible.

The Green Team also presented EFG Hermes' sustainability messages at the London Conference in September 2015. Feedback from investors and other participants was very positive and encouraging.

SUSTAINABILITY COMPETITIONS

In 2015, the Green Team launched quarterly Sustainability Competitions with different themes ranging from resource conservation to ideas about 'green business' opportunities and how sustainability fits in with EFG Hermes' values. Employee response to the competitions has been enthusiastic and the winning ideas have been implemented and disseminated as part of the Green Team's sustainability messaging. To date, winning ideas include: An EGP 1.00 discount from Gloria Jean's Coffee House extended to any employee who brings their own personal mug instead of using the vendor's disposable cups; and default double-sided printing to reduce our use of office paper.



These initiatives encourage employees to adopt similar practices and play an important, albeit small, role in reducing waste and conserving resources.

SUSTAINABILITY TRAINING

The Green Team has worked closely with the Human Resource Department to incorporate sustainability orientation and training into employees' obligatory requirements. The aim is to make sustainability issues as fundamental in employees' minds as financial integrity and transparency. Currently, the sustainability presentation available on our intranet is part of the orientation process for new hires. However, it is slated to become a mandatory course similar to the anti-corruption and anti-money laundering courses that all employees are required to pass. Sustainability values will also be incorporated into the annual performance review process and will be counted towards the employee's overall score starting next year.

SUSTAINABILITY REPORTING

For the last four years, we have been active members of the United Nations Global Compact (UNGC) initiative, a forum that aims to synergize efforts of member companies and organizations from all over the world in support of the UNGC's 10 principles with respect to human rights, labour, environment and anti-corruption. Member corporations are required to prepare an annual communication on progress (CoP) report that identifies how their business aligns with the UNGC's 10 principles. Our CoP reports are available on the UNGC website for public peruse.

In 2014, we committed to issuing annual stand-alone sustainability reports in conjunction with our annual reports. We are currently working on developing our sustainability reporting procedures in line with global guidelines and our second annual Sustainability Report will be issued in March 2016.

THE EGX SUSTAINABILITY CONFERENCE

EFG Hermes actively participated in the first sustainability conference organized by the Egyptian Exchange (EGX) in October 2015 where our sustainability model was held up as an example for others to follow.

The chairperson of our CSC spoke to leading members of the business community about the importance of sustainable business practices and the value that businesses can gain by aligning their goals with organizations such as the UNGC. She explained that joining the UNGC made us realize that we had to take a more holistic approach to sustainability and integrate the 10 principles into every aspect of our operation.



SUSTAINABLE POLICIES

RESOURCE MANAGEMENT

The Green Team has also successfully implemented several innovative initiatives to help change personal habits and promote sustainability within the office space and beyond:

Reduce

Efficient Use of Paper

With the assistance of the IT department, the Green Team succeeded in changing the default setting of all printers in the Egypt HQ and in Jordan to be double-sided.

A system was also developed to reduce the amount of paper used daily during the trading session. We have managed to save 672,000 papers and almost EGP30,000 annually.

Carpooling

The Green Team is working alongside the administration to establish a carpooling system to reduce carbon emissions, and protect the environment.

Energy Efficiency

Energy consumption at the Egypt HQ has been significantly reduced after the installation of LED lightbulbs and energy saving transparent window film and the implementation of energy efficient practices.

Reuse

Paper Reuse in Egypt

The Green Team stepped up the company's resource conservation efforts by placing recycled paperboard boxes next to the printers for scrap paper. The scrap paper is then recycled into EFG Hermes notebooks for internal use.

Switching to Reusable Mugs

The Jordan office have removed all disposable cups and are now using reusable mugs for cold and hot drinks.

Employees at the Egypt office receive a discount on beverages if they bring in their own reusable mugs.

Recycle

Recycling Bins

The Green Team is currently working on installing recycling bins on each floor of the Cairo HQ.

Paper Recycling in Jordan

All waste paper at the Jordan office is placed in a recycling container. The container is sent to COZMO recycling once every two weeks.

Recycling of Electronic Waste

Electronic waste at the Egypt offices was disposed of in cooperation with *RecycloBekia*, an Egyptian company that guarantees safe data destruction and environmentally sound recycling of e-waste.

HUMAN CAPITAL

Part of creating a sustainable economy is by making sure that employees feel happy, secure, valued and challenged. At EFG Hermes, that means having a diverse and inclusive workforce, providing competitive wages and helping our employees take control of their physical and financial wellness and their professional development. It also means promoting a culture of integrity and rejecting unethical practices at all levels of our operation. Our Code of Conduct defines a clear set of standards for business conduct of employees and our Learning and Development Policy ensures that all employees have equal access to high quality training and development opportunities. Our training budget was increased in 2015 resulting in a higher number of average training hours per employee. The Intern Recruitment Policy was also formalized and the first intake of interns was highly successful. We also implemented grievance boxes and formalized the grievance review process to ensure that employees feel that their opinions are valued.

GOVERNANCE, AUDITING AND RISK MANAGEMENT

We are industry leaders in terms of best practices in 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.

Our commitment to sustainable business practices requires that we expand our model to include policies and procedures that address these new challenges. Over the past year, we have taken a number of steps to develop the required policies.

Supplier Code of Conduct: Our suppliers are now obliged to sign a supplier code of conduct prior to doing business with EFG Hermes. The code requires them 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. The code goes beyond mere compliance with the law by drawing upon internationally recognized standards to advance social and environmental responsibilities.

ESG Policy: At present, a Social and Environmental Management System is in place to evaluate EFG Hermes' potential investments. It will form the basis for a more advanced Environment, Social and Governance (ESG) Policy currently being developed by the Compliance and Risk Department.

Auditing and Risk Management: The Internal Audit Department has expanded its audit scope to integrate sustainability considerations in regular auditing procedures.

RESPONSIBLE INVESTMENT

Renewable energy has become a key focus for the energy and infrastructure side of EFG Hermes' private equity. Our aim is to act as a catalyst for sustainable development while simultaneously generating attractive returns for our shareholders and investment partners. The renewable energy field is particularly attractive because not only is it a source of energy, but it is also a tool to improve energy security; reduce the environmental impacts associated with fossil and nuclear energy; mitigate CO2 emissions; create jobs and reduce poverty.

We are looking at two main regions with a key focus on solar and wind energy. The first is Europe, where the combination of robust regulatory frameworks, market maturity and good-quality assets, makes European renewable energy projects particularly attractive. In 2014, we underscored our commitment to renewable energy by making our first investment beyond the borders of the Middle East and Africa in EDPR, one of the top four renewable energy companies in the world. Via Vortex Energy, a managed investment vehicle funded mainly by GCC investors and European banks, we acquired a 49% equity stake in EDPR France's operational wind energy portfolio, encompassing 33 wind farms with a total capacity of 334MW. We continue to be very interested in further investments in Europe to grow and expand Vortex.



Secondly, we are looking to invest in renewables in the Middle East. Egypt, the UAE, Jordan and Morocco are all interesting markets. In Jordan, we are majority investors—through the InfraMed Infrastructure Fund, in which EFG Hermes is a shareholder—in the Tafila Wind Farm, the first and the largest privately financed wind farm in Jordan. Tafila offers significant sustainable development and socio-economic benefits to the country in addition to reducing its reliance on imported fuel.

Our primary focus at present, however, is on Egypt, which is a large, energy-hungry market looking to reduce its dependence on fuel imports. In a bid to encourage investment in renewables, the government has announced a feed-in-tariff (FIT) program, offering investors approximately 4 gigawatts of wind and solar combined. The country is ideally situated for a surge in renewable energy investment with good wind resources along the Red Sea coast, year-round high levels of solar radiation and ample space for solar panels. In 2016, we are looking to deploy a substantial amount of equity into wind and solar in the feed-in tariff program, alongside a host of reputable, international developers.

REAFFIRM: COMMUNITY STEWARDSHIP

In 2015, we reaffirmed our commitment to serving the communities in which we operate through projects developed and funded by the EFG Hermes Foundation.

Throughout the project development and funding cycle, our focus is steadfast on achieving the maximum sustainable impact not only by investing our resources wisely, but also by seeking synergistic partnerships and proactively engaging the affected communities in each project.

The EFG Hermes Foundation

Founded in 2006 as an independent, non-profit, non-governmental organization, the EFG Hermes Foundation's mandate is to assist people and institutions overcome the financial, educational and health-related challenges facing society by supporting innovative and sustainable high-impact programs that increase the opportunities of those most in need. Over nine years, the Foundation has disbursed EGP over 50 million on integrated development programmes.

AL-MAKHZAN

Al-Makhzan Village Development Project is a leading example of a high-impact integrated development project that brings together a number of stakeholders in a dynamic partnership. In 2014, the EFG Hermes Foundation signed a Memorandum of Understanding with the Kuwaiti Initiative to Support the Egyptian People under the auspices of the Egyptian Ministry of Social Solidarity as part of continued efforts towards sustainable development. Under the agreement, the Kuwaiti Initiative pledged to provide 276 thousand Kuwaiti Dinars (approximately EGP 7 million) in donations from the Kuwaiti people to finance the integrated developmental project of the village of Al-Makhzan located in Qoos in the Governorate of Qena.

With a population of 15,000, Al-Makhzan is typical of many economically depressed Upper Egyptian villages. Eighty per cent of its population live under the poverty line and its economy is entirely dependent on agriculture and remittances from villagers working abroad or in urban areas of Egypt. The village is densely populated with narrow alleyways separating poorly built houses and little basic infrastructure.

In cooperation with the local Community Development Association (CDA), the Foundation enlisted the help of technical experts to conduct an in-depth needs assessment and to develop a project feasibility study. In line with the EFG Hermes Foundation's multi-dimensional approach, the project involves initiatives in housing, health, education and food supply. Project elements include:

- ❖ A new building within the existing school complex to ease class congestion and absorb additional students. The building is being constructed in close cooperation with the Educational Buildings Authority and is due to be inaugurated in 2016.
- ❖ A new bakery with a daily capacity of 4000 loaves built in a record-breaking 35 days on land donated by a prominent member of the CDA.
- ❖ Refurbishment of the existing health unit.
- ❖ Demolishment and rebuilding of houses for 21 families. All demolition and construction was undertaken using local contractors and resources to help revitalize the economy.

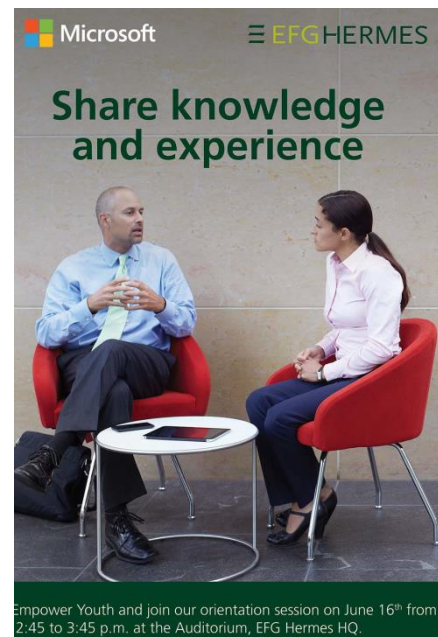
- ❖ Village-wide sanitation and the procurement of a vacuum truck to be managed and run by the CDA to generate income by providing services to adjacent villages.
- ❖ A study in cooperation with the CDA to construct pit latrines or septic tanks for the entire village.

As always with integrated development projects, there was initial resistance and suspicion among village residents and local government officials. However, thanks to experience gained during the EFG Hermes Foundation's ground-breaking Ezbet Yacoub Integrated Development Project in Beni Sweif, the project team was able to overcome these challenges by collaborating with stakeholders and fully involving them in the early stages of project planning.

MENTORSHIP

The Green Team developed the two mentorship programmes in partnership with Microsoft Egypt. The aim of the programmes is to connect Egyptian university students and fresh graduates struggling to find their career path with experienced professionals at EFG Hermes in a mutually-beneficial exchange of experiences over a six-month period. Our objective is to empower youth, prepare them for employment and guide them through their next career steps.

The mentorship programs will also benefit the volunteers by developing their coaching skills and providing them with experience in leadership and community service. The call for volunteers was published on the EFG Hermes intranet and we currently have six active mentors.



FINANCIAL LITERACY

Tutorial Videos: The Green Team developed four financial literacy tutorial videos. They provide a basic overview of capital markets, including basic information such as financial definitions as well as more complicated concepts such as stock market dynamics. The tutorial videos disseminate EFG Hermes' knowledge and experience to the surrounding communities and benefit those with little to no financial background.

Microsoft's Educational Online Platform: The EFG Hermes Foundation has partnered with Microsoft to expand the reach of its online financial literacy tutorials through the *Masr Ta3mal* web portal. *Masr Ta3mal* aims to institutionalize employability skills and services for Egyptian youth, creating a full eco-system that can successfully tackle Egypt's unemployment challenges. *Masr Ta3mal* initiative provides career guidance, skills assessments and hundreds of online courses, mentorship opportunities and peer-to-peer learning experiences to build youth capacity, match jobseekers with available jobs and encourage entrepreneurship.

The Model Egyptian Stock Exchange: The Foundation is also sponsoring the 'Model Egyptian Stock Exchange' (MESE) in partnership with Ain Shams University to empower students in the area of capital markets. The MESE conference is scheduled for April 2016 with over 350 participants.

The MESE is also holding university-wide financial literacy sessions with the support of the EFG Hermes Foundation. Volunteers from EFG Hermes conduct sessions and manage the activity together with the students to deliver financial literacy tutorials.

University Workshop: The Green Team turned the financial literacy videos into a training curriculum presented at a workshop attended by 40 students at the Canadian International College (CIC).

HEALTH PROGRAMMES

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 expand the treatment of both Hepatitis C and cerebral palsy in Egypt, we are always looking to support initiatives where we can achieve maximum impact.

Blood Drives at EFG Hermes: EFG Hermes Foundation successfully conducted three blood drives in 2015 to benefit almost 370 patients in need of blood in collaboration with the Triple Effect Program and the National Blood Transfusion Services.

Assiut University Arthroscopic Surgery Unit: In 2015, the EFG Hermes Foundation collaborated with Assiut University Hospital to provide much-needed surgical equipment for the arthroscopy unit. The new operating unit was made possible through a grant of EGP 900,000 from the EFG Hermes Foundation to support the purchase of machinery and equipment required to expand the hospital's renowned services in the field of orthopaedic arthroscopic surgery. The new unit was inaugurated in November 2015 and effectively doubles the capacity of the university hospital to 1,400 surgeries each year in Upper Egypt, a region that typically suffers from a lack of quality medical services.

The Move Foundation: The EFG Hermes Foundation's healthcare activities also extend to support for the MOVE Foundation for Children with Cerebral Palsy, a non-profit organisation for underprivileged, disabled children.

YOUTH EMPOWERMENT PROGRAMMES

KidZania: In 2015, the Foundation also pledged to sponsor school trips for 20,000 public school students over four years to KidZania, an 'edutainment' facility that helps students explore and benefit from hands-on, entertaining learning experiences. The Green Team also engaged with EFG Hermes' blue collar employees through Foundation's partnership project with KidZania. So far, twenty blue collar employees were awarded tickets to attend KidZania with their children for a day.

