

QNB Egypt Environmental and Social Risk Management Policy Framework

Our Commitment

- QNB Egypt recognises Environmental and Social (E&S) risks can materially impact the financial performance, creditworthiness, and reputation of both the Bank and its clients. These risks arise from clients' business activities, supply chains, or market dynamics and can lead to operational, legal, or reputational consequences. Accordingly, the Bank views the management of E&S risks as an integral part of its overall Risk Management and Governance Framework.
- In alignment with QNB Group's ESRM Policy Framework as well as the Central Bank of Egypt guidelines for sustainable finance, QNB Egypt adopts and operationalises these principles within the local context. The Bank's ESRM Policy Framework establishes the foundation for identifying, assessing, and managing E&S risks across its lending, investment and operational activities.
- QNB Egypt is committed to conducting its business in an environmentally and socially responsible manner. This Policy Framework sets QNB Egypt's minimum standards for identifying, assessing, mitigating, and monitoring E&S risks across the credit lifecycle. The Policy also lists activities that the Bank does not finance (Exclusion list).
- E&S factors encompass a wide range of considerations as guided by the PRI reporting framework. Environmental factors focus on issues such as climate change, biodiversity loss, resource depletion, and pollution. Social factors relate to impacts on people, including labor practices, community relations, and human rights. By integrating E&S considerations into our financing processes, we identify material risks early, manage them proportionately, and -where appropriate- engage clients to improve their practices. This approach promotes long-term sustainability and resilience for the Bank and its clients.

QNB Egypt Environmental and Social Commitments

QNB Egypt integrates environmental and social considerations across its operations and financing activities. Beyond QNB Egypt's own policies and applicable laws, the Bank is committed to:

- Ensuring that all applicable E&S laws and regulations are followed and complied with in every jurisdiction of operation

QNB Egypt Environmental and Social Risk Management Policy Framework

- Respect human rights, promote diversity and inclusion, and ensure that our business activities, operations and financing decisions are not associated with any acts that can be deemed as infringement of such.
- Act with the awareness that our operations have direct and indirect impacts on environment and society and seek to put in place measures to address such impacts where feasible and appropriate.
- Seek to support sustainable and responsible development through the Bank's products, services, financing activities, and through promoting improved sustainability practices within the Bank's supply chain
- Not knowingly finance projects or engage in business activities that are illegal, or likely to cause adverse, irreversible and detrimental effects on the environment and society, as set out in the Exclusion List.
- Continue to build internal capabilities and resources to manage sustainability and E&S risks, and to respond to stakeholder inquiries.
- Provide transparent E&S reporting and maintain dialogue with stakeholders through appropriate channels.
- Seek consultation with relevant external stakeholders, including subject matter experts, where necessary.
- Undertake enhanced E&S due diligence and additional reviews for large-scale, complex, or high-risk projects,
- Integrate E&S risk considerations and review outcomes within the Bank's credit risk assessment and approval processes to ensure that E&S risks are systematically evaluated alongside financial and other risk factors.

Dialogue with Stakeholders and Whistleblowing Process

In order to receive all important feedback and understand their priorities, QNB Egypt will maintain dialogue and consultation channels with its main stakeholders, employees, shareholders, clients, suppliers and regulators.

QNB Egypt established a Whistleblowing process to encourage all internal staff who have serious concerns about any aspect of QNB Egypt's work, to come forward and voice those concerns

QNB Egypt Environmental and Social Risk Management Policy Framework

- Externally, for individuals and communities who may be impacted negatively by the Bank's operations, QNB Egypt receives grievance through Contact Center at 19700 or internationally at 0020219700. For complaints and/or suggestions, please contact us on: Quality.feedback@qnb.com.eg.

Governance

The ESRM Policy Framework is approved by QNB Egypt Board of Directors, and in the event of update or revision, will be subject to their review and approval