



HSBC Bank Egypt S.A.E.

Environmental, Social and Governance (ESG)

Annual Report 2023

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Prepared by: ESG Unit



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Introduction

About this report

HSBC Bank Egypt S.A.E (HBEG) is publishing the first Environmental, Social, and Governance (ESG) report for the year 2023. This report sets out our approach to our environment, customers, employees and governance. It explains how HBEG aims to achieve its purpose, deliver its strategy in a way that is sustainable, and build strong relationships with all its stakeholders.

Reporting period and scope

This report presents HSBC Bank Egypt's ESG performance covering the reporting period from January 1st to December 31st, 2023 unless stated otherwise. Unless the context requires otherwise, 'HSBC Holdings' refers to HSBC Holdings plc, and references to 'HSBC', the 'Group' or the 'HSBC Group' are to HSBC Holdings together with its subsidiaries, and HSBC Bank Egypt is referred to as HBEG. References in this report to "Our", "We" and "Us" are to the HSBC Group unless the context requires otherwise.

The information set out in this HSBC Egypt ESG Annual Report 2023, taken together with other information relating to ESG issues included in [HSBC Group Annual Report and Accounts 2023](#), aims to provide key ESG information and data relevant to our operations for the year ended 31 December 2023.

Measurement techniques and calculations are explained next to data tables where necessary. There is no restatement in the previous reporting period for HSBC Egypt. HBEG will continue to develop and

refine our reporting and disclosures on ESG matters in line with feedback received from our stakeholders, and in view of our obligations as part of HSBC Group and to local regulatory standards.

This ESG Report has been prepared in accordance with HSBC Group reporting standards and guidelines and Global Reporting Initiative (GRI) Standards.

Please refer to [HSBC Bank Egypt S.A.E Annual Report and Accounts 2023](#) or further information on 2023 Financial performance.

Contact information

For further information contact ESG Unit:

Cherine El Hakim - Head of ESG Unit

E-mail: cherine.hakim@hsbc.com

Maha Belal - Senior ESG Reporting and Governance Manager

E-mail: maha.belal@hsbc.com

Hoda Abousteit - Head of Business Development and Strategy

E-mail: hodaabousteit@hsbc.com

HSBC Bank Egypt S.A.E

Address: 306 Cornich El Nil, Maadi, Cairo Egypt

Telephone: +20(2) 25298000

Facsimile: +20(2) 25298080

Website: www.hsbc.com.eg

Who we are

HSBC Bank Egypt SAE (HBEG) is a 94.54 per cent subsidiary of HSBC Holdings plc and part of the HSBC Group. Headquartered in London, HSBC Group is one of the world's largest banking and financial services organizations. HSBC Group is listed on the London, Hong Kong, New York and Bermuda stock exchanges. HSBC has been supporting customers for more than 150 years through an international network in 62 countries and territories around the world.

HSBC Bank Egypt is one of the largest multinational banks in Egypt, providing a comprehensive range of banking and financial services. HSBC Egypt serves its personal and business banking customers through a full range of services including: Wealth and Personal Banking, Commercial Banking and Global Banking and Markets.

Aligning with HSBC Group, our purpose – Opening up a world of opportunity – explains why we exist. We are here to use our unique expertise, capabilities, breadth and perspectives to open up new kinds of opportunity for our customers. We're bringing together the people, ideas and capital that nurture progress and growth, helping to create a better world – for our customers, our people, our investors, our communities and the planet we all share.



HSBC Egypt CEO letter



We are taking steps to incorporate environmental, social and governance principles throughout the organisation, supporting the success of our customers, people and other stakeholders.

I am pleased to present this HSBC Egypt 2023 report which sets out the steps we are taking to incorporate environmental, social and governance (ESG) principles throughout the organisation as we support the success of our customers, people and the communities we serve.

HSBC's approach to ESG is shaped by our purpose and values and a desire to create sustainable long-term value for our stakeholders. As an international bank with significant breadth and scale, we understand that the interconnectivity of local, regional and global economies has an impact on people's lives.

We recognise we can play an important role in helping to tackle ESG challenges. We focus our efforts on three areas: the transition to net zero, building inclusion and resilience, and acting responsibly.

Transition to Net Zero

In 2020, HSBC Group set an ambition to become a net zero bank by 2050. Since then, progress includes providing and facilitating sustainable finance and investment for our customers, updating several of the Group's sustainability

and investment risk policies, and setting 2030 targets for financed emissions in a range of high-emitting sectors.

In 2023, HSBC Egypt acted as Joint Bookrunner for USD480 million Panda Bond and financed more than 30 deals with a total value of USD483 million.

In January 2024, we published our first net zero transition plan, which provides an overview of the progress we have made to date and the actions being taken and planned to embed our net zero ambition across HSBC.

We also set out how we are starting to work to integrate nature and a just transition into our net zero approach.

Build Inclusion and Resilience

To help create long-term value for all stakeholders, we focus on fostering inclusion and building resilience. For colleagues, we focus on creating an inclusive, healthy and rewarding environment while supporting their resilience through extensive well-being and learning resources.

We strive to provide an inclusive and accessible banking experience for our customers. We do this by providing resources that help them manage their finances, and services that help them protect what they value. We are developing an updated global philanthropy strategy that aligns with our ESG areas of focus: 'transition to net zero' and 'building inclusion and resilience'.

Act Responsibly

Our governance approach focuses on acting responsibly. We are focused on operating a strong and sustainable business that puts the customer first, values good governance, and gives our stakeholders confidence in how we do what we do.

This report demonstrates how we are making progress with our ESG ambitions and how we are turning them into real actions.

Our ESG Strategy

Environmental - Transition to Net Zero:

At a group level, our net zero ambition represents one of our four strategic pillars. In January 2024, HSBC Group published its net zero transition plan. This document sets out its vision, approach and implementation plan to become a net zero bank by 2050. It sets out how we are working to embed net zero across key areas of our organisation to help ensure that we can play a role in the transition to net zero in the markets we serve. The HSBC Group net zero transition plan is being implemented in Egypt through seeking to increase our share of sustainable finance and using our expert teams to help support clients in their transition.

Social - Building Inclusion and Resilience:

In line with group strategy, we play an active role in opening up a world of opportunity for our customers, colleagues and communities by unlocking the power of our international networks to help build a more inclusive and resilient society.

HSBC has been present in Egypt for more than 40 years and we have a long-standing commitment to our stakeholders to deliver on our philanthropic activities. We focus on the areas of future skills (for young adults and entrepreneurs) and in unlocking next-generation climate solutions to accelerate the transition to net zero.

Governance - Acting responsibly:

We remain committed to high standards of governance. We work alongside our regulators and recognise our contribution to building healthy and sustainable societies.

HSBC Holdings plc Board takes overall responsibility for ESG strategy, overseeing executive management in developing the approach, execution, and associated reporting. Progress against our ESG ambitions is reviewed through Board discussion and review of key topics. The Board is regularly provided with specific updates on ESG matters. Board members receive ESG related training as part of their ongoing development and seek out further opportunities to build their skills and experience in this area.



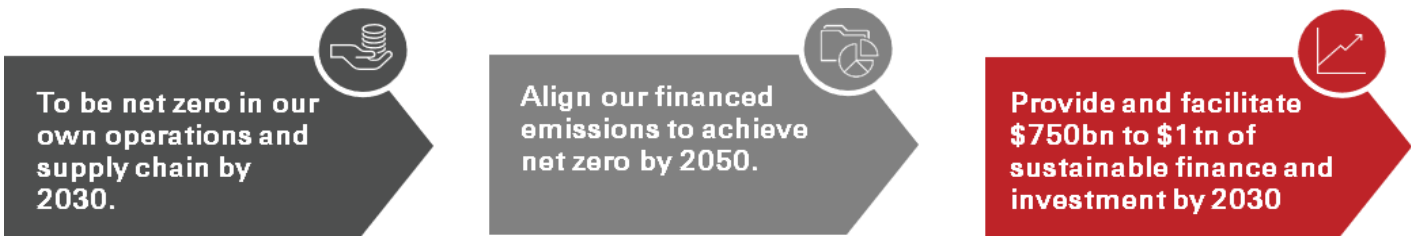
Our Approach to ESG

Aligning with HSBC Group Holdings ESG Strategy

Our approach towards ESG is aligned and guided by our Global strategy and local regulatory environment. We are taking steps to incorporate environmental, social and governance

principles throughout the organisation, supporting the success of our customers, people and other stakeholders.

HSBC Group has embarked on an ESG and climate journey, driven by three global overarching ambitions against which we made meaningful progress in 2023, as follows:



In January 2024, HSBC Group published our first net zero transition plan, which provides an overview of the progress made to date and the actions being taken and planned to embed net zero ambition across HSBC. It sets out how we intend to harness our strengths and capabilities in the areas where we believe we can support large-scale emissions reduction: transitioning industry, catalysing the new economy, and decarbonising trade and supply chains:











Our approach to ESG is shaped by our purpose and values and a desire to create sustainable long-term value for our stakeholders. As an international bank with significant breadth and scale, we understand that our economies, societies, supply chains and people’s lives are interconnected. We recognise we can play an important role in helping to tackle ESG challenges. We focus our efforts on three areas: the transition to net zero, building inclusion and resilience, and acting responsibly.

To help create long-term value for all stakeholders, we focus on fostering inclusion and building resilience for our colleagues, our customers and the communities we operate within.

Finally, at a Group level, HSBC Holdings plc publishes information on our environmental, social and governance (ESG) performance on our corporate website, as part of our Annual Report and Accounts (ARA). For HSBC Egypt is publishing the first ESG annual report and in line with Central Bank of Egypt guidance.

2023 ESG performance highlights

Against these overarching policy and strategic focus areas, we have delivered meaningful results in 2023 in Egypt.

 <p>Launched for the first time Sustainability Linked loan putting a path of transitioning for our clients.</p>	 <p>Social finance were rolled out in 2023, to ensure capturing the social angle of our client's operations</p>	 <p>Conducted advanced in-house training for our front line population to strengthen their ability to identify, discuss and guide clients on ESG matters.</p>	 <p>Signed a partnership with Solarena, a solar engineering solutions provider, aimed at boosting our sustainable finance products awareness.</p>
 <p>In 2023, we succeeded in changing the lighting at Maadi Head office floors, Smart Village building in addition to 13 branches into LED lighting, which is expected to save approx. more than 800 MW/annum.</p>	 <p>HSBC participating in the annual WWF Earth Hour campaign. In Egypt, both Maadi Head Office and Smart Village turned off lights in the Earth Hour Event, saving ca. 267 KWH.</p>	 <p>Regional Sustainability Business Accelerator Programme to our clients to aid them in identifying, assessing, and reporting on their ESG targets.</p>	 <p>More than 6,000 trees planted in Bahareya oasis in collaboration with One Tree Planted.</p>

During 2023, HSBC Egypt acted as Jointed Bookrunner for USD480m Panda Bond and managed to finance more than 30 deals for USD483m with a balanced approach of identifying sustainable operations in the existing book along with extending new money.

 <p>Our Sustainable Bond issuance has grown substantially to USD240m in 2023.</p>	 <p>Green and Social finance have grown to USD188m in 2023 from over 19 bilateral deals.</p>	 <p>Sustainability Linked Lending (SLLs) has grown well with a total of 6 deals totalling USD16m</p>
 <p>Similarly, our Sustainable Trade Finance product offerings have grown significantly to USD38m from 11 deals.</p>	 <p>We are embedding sustainability within our culture. As a result our sustainable finance volumes have almost tripled in 2023 compared to 2022.</p>	 <p>We have also made significant improvements to upskill frontline Relationship Managers (RM) with 50% of RMs contributing at least 1 Sustainable Finance deal in 2023.</p>

How we decide what to measure

We listen to our stakeholders in a number of different ways, which we set out in more detail under “Engaging with our stakeholders” and our material ESG topic below. We use the information they provide us to identify the issues that are most important to them and consequently also matter to our own business

HSBC group regularly discuss the new and existing themes and issues that matter to our stakeholders through different engagements. As defined in [HSBC Group Annual Report and Accounts 2023](#) ‘materiality’ is considered to be the threshold at which ESG issues become sufficiently important to our investors and other stakeholders that they should be publicly reported. For HSBC Egypt we are aligning with HSBC Group materiality assessments for disclosures while taking into consideration GRI standards.

Recognising the need for a consistent and global set of ESG metrics, we monitor the developments and continue to report against metrics adopted by Group and local regulatory obligations as relevant to our entity.

Engaging with our stakeholders and HSBC Group material ESG topic

We believe that engaging with our stakeholders is core to being a responsible business. To determine

Consistent with the scope of financial information presented in our Annual Report and Accounts, the ESG review covers the operations of HSBC Bank Egypt S.A.E. Given the relative immaturity of ESG-related data and methodologies in general, we are on a journey towards improving completeness and robustness.

Our reporting around ESG

In addition to this report, we report on ESG matters throughout our [HSBC Bank Egypt S.A.E Annual Report and Accounts 2023](#)

For further detailed info on our HSBC Group Holdings approach and disclosures please visit [ESG reporting centre | HSBC Holdings plc](#)

Assurance relating to ESG data

HSBC Bank Egypt S.A.E is responsible for preparation of the ESG information and all the supporting records, including selecting appropriate measurement and reporting criteria, in our Annual Report and Accounts and the additional reports published on our website.

We recognise the importance of ESG disclosures and the quality of data underpinning it. We also acknowledge that our internal

processes to support ESG are in the process of being developed and currently rely on manual sourcing and categorization of data.

At a Group level, certain aspects of our ESG disclosures are subject to enhanced verification and assurance procedures including the first, second and third line of defence. Assurance assists in reducing the risk of restatement, although it cannot be fully eliminated given the challenges in data, evolving methodologies and emerging standards. We aim to continue to enhance our approach in line with external expectations.

For 2023, at a Group level, certain ESG data is subject to standalone independent PwC limited assurance in accordance with International Standard on Assurance Engagements 3000 (Revised) ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 ‘Assurance Engagements on Greenhouse Gas Statements’, issued by the International Auditing and Assurance Standards Board, more details can be found at [ESG reporting centre | HSBC Holdings plc](#)

material topics that our stakeholders are interested in, we conduct a number of activities throughout the year at HSBC Group and local level, including engagements outlined in the table below. Disclosure standards such as the GRI, HSBC Group

sustainability risk policies as well as the local applicable rules and regulations, are considered as part of the identification of material issues and disclosures.

Our stakeholders	How we engage	Material topics highlighted by the engagement
Customers	Our customers' voices are heard through our interactions with them, surveys and by listening to their complaints	<ul style="list-style-type: none"> - Customer advocacy - Cybersecurity - Employee training - Diversity and inclusion - Employee engagement - Supporting our customers – financed emissions - Embedding net zero into the way we operate - Sustainability risk policies, including thermal coal phase-out policy and energy policy - Net zero transition plan - Financial inclusion and community investment - Climate risk - Anti-bribery and corruption - Conduct and product responsibility - Supply chain management - Human rights
Employees	Our colleagues' voices are heard through our annual Snapshot survey, Exchange meetings, townhalls, leadership summits, and our 'speak-up' channels, including our global whistleblowing platform, HSBC Confidential.	
Investors	We engage with our shareholders through HSBC Holdings AGMs.	
Communities	We engage with non-governmental organisations ('NGOs'), charities and other civil society groups through forums, events and round tables supporting ESG causes such as COP27 & 28. We engage directly on specific issues by taking part in working groups.	
Regulators and governments	We proactively engage with regulators and government to build strong relationships through virtual and in-person meetings	
Suppliers	Our code of conduct sets out our ambitions, targets and commitments on the environment, diversity and human rights, and outlines the minimum standards we expect of our suppliers	

Environmental

Transition to Net Zero

Aligning to our global approach, we aim to support the transition of our customers, industries and markets to a net zero and a sustainable future, while working to transition to net zero ourselves.

In this section

Overview	Our approach to the transition	Globally we aim to achieve net zero in our financed emissions by 2050, and in our own operations and supply chain by 2030	Page 11
Supporting our customers	Sustainable finance and investment	Our ability to help finance the transformation of businesses and infrastructure is key to building a sustainable future for our customers and society.	Page 11
	Financed emissions	We aim to align our financed emissions to achieve net zero by 2050 and support our clients on their transition.	Page 12
Embedding net zero into the way we operate	Net zero in our own operations	Part of our ambition to be a net zero bank is to achieve net zero carbon emissions in our operations and supply chain by 2030.	Page 13
	Sustainability risk policies	Our sustainability risk policies seek to ensure that the financial services that we provide to customers do not result in unacceptable impacts on people or the environment.	Page 15
	Managing climate risk	We manage climate risk across all our businesses in line with our Group-wide risk management framework.	Page 16
Partnering for systemic change	Supporting systemic change to deliver net zero	We collaborate with a range of partners to support the development of an enabling environment and mobilise finance for nature and climate	Page 17

Overview

In October 2020, HSBC Group announced our ambition to become a net zero bank by 2050 and in 2021 the HSBC Group included the transition to net zero as one of the four key pillars of our corporate strategy.

Our starting point in the transition to net zero is one of a heavy financed emissions footprint. Statements below represents the globally defined approach which is implemented and followed by HSBC Bank Egypt.

Our net zero strengths

HSBC Group aims to rebalance capital deployment towards achieving net zero over the coming decades. We believe we can do this best by promoting change in three key areas that play to our strengths as an organisation: transitioning industry; catalysing the new economy; and decarbonising trade and supply chains.

Our implementation plan

We are working to embed net zero across our organisation. This includes embedding net zero into: the way that we support our customers, both through customer engagement and the provision of financing solutions; the way that we operate as an organisation, including risk management, policies, governance, and own operations; and how we partner externally in support of systemic change. It also means

focusing first on the sectors, and customers with the highest emissions and transition risks and evolving and expanding our efforts over time.

Our net zero principles

In implementing our approach to net zero, we aim to be guided by a set of principles which are aligned with our core values: science-based, transparent and accountable; integrating nature; and just and inclusive.

Supporting our customers

Sustainable finance and investment

To help achieve the scale and speed of change required to transition to net zero, we know we need to support our customers not just with finance, but with the services, insights and tools to help them to transition. In 2023, we continued to provide sustainable financing and investment to our customers in line with HSBC's global ambition to provide and facilitate USD750bn to USD1tn by 2030.

HSBC provides a variety of solutions, assisting our corporate clients in their efforts to contribute to a more sustainable, low-carbon and climate-resilient economy. In 2023, HSBC Egypt introduced sustainability-linked loans (SLL) for trade finance that will enable businesses to tie their borrowing to activities that help to support ESG progress. This proposition links the facility terms to the corporate ESG performance

against pre-determined sustainability key performance indicators (KPIs) aligned to the sustainability linked loan principles set out by the Loan Market Association (LMA). Asia Pacific Loan Market Association and the loan Syndications and Trading Association.

To help support our customer transition we have launched **Sustainable Business Accelerator** programme in Egypt in June 2023, in partnership with Diginex, a Hong Kong-based tech start-up. This is a new sustainability partnership developed to support our customers with tracking and reporting their ESG performance. Diginex's platform helps companies to collect, certify and disclose their ESG data against key international frameworks and standards.

HSBC with Diginex delivered 6 modules covering over 20 hours of content enabling them to produce a

foundational sustainability strategy in a 6-month period.

Leading in Sustainable Finance Deals in Egypt

HSBC Egypt has provided and facilitated USD483 million of sustainable finance in 2023, bringing our cumulative commitments since 2020 to USD806 million. This is aligned to the HSBC Group Sustainable Finance and Investment Data Dictionary 2023.* This is across lending, real asset finance and trade finance from our own balance sheet, as well as finance mobilised from the capital markets through bond, equity, and other markets. Globally HSBC Group provided and facilitated USD83.7bn of sustainable finance and investments in 2023, bringing our cumulative total since January 2020 to USD294.4bn.

*HSBC 2023 sustainable finance and investment data [dictionary](#)

Below provides examples of the transactions that took place in 2023 and demonstrates a reflection of how we support in sustainable finance for Egypt.



HBEG granted **Shift EV** a working capital Facility to accommodate its import and local requirements for the retrofitting activities that converts commercial fuel vehicles into EVs. Egyptian firm Shift EV retrofits minivans and delivery trucks with its in-house designed and manufactured lithium-ion battery packs.



HBEG was one of 6 financiers across various countries, that contributed to the finance of a 500MW **Gulf of Suez wind farm project**, the largest in Africa, which aims at delivering sustainable energy for over 800,000 Egyptian homes across the country, lowering emissions by 1 million tonnes per year. HSBC's contribution not only aligns with group's strategy to transition to a net Zero but also focuses on financing solution under Egypt's Nexus for Water, Food and Energy (NWFE).



Sustainability Linked Loan with Juhayna Food Industries, a leading Egyptian manufacturer specialized in production, processing and packaging of dairy, juice and cooking products, to link its funded and contingent trade working capital facilities to KPIs core to the food industry. **Targets include reductions in Scope 1-3 emissions and increasing in their Health, Safety and Quality employee training reach.**



The Arab Republic of Egypt, RMB3.5 billion Guaranteed Sustainability Panda bond due 2027. The first ever Panda bond issuer out of the region; the largest ever Sovereign Panda Bond to date; and the first ever Panda Bond guaranteed by two supranational entities, the Asian Infrastructure Investment Bank and the African Development Bank.

"Financed" emissions

For HSBC Bank Egypt we do not report on our financed emissions, however, financed emissions are being reported at a Group level for certain sectors and include calculations up to 2022. For full sector progress on Financed Emissions please visit [Annual Report and Accounts 2023: see pages 41-98 for ESG disclosures \(PDF 7MB\)](#) .

Embedding net zero into the way we operate

Net Zero in our own Operations

Part of our global ambition to be a net zero bank is to achieve net zero carbon emissions in our operations and supply chain by 2030. HSBC Egypt is taking measures to align with Global ambition.

Reduce, replace and remove

We have three elements to our group strategy: reduce, replace, and remove. We plan to first focus on reducing carbon emissions from consumption, and then replacing remaining emissions with low-carbon alternatives in line with the Paris Agreement. We plan to remove the remaining emissions that cannot be reduced or replaced by procuring, in accordance with prevailing regulatory requirements, high-quality offsets at a later stage.

Our energy consumption

In October 2020, HSBC Group announced our group ambition to reduce energy consumption by 50% by 2030, against a 2019 baseline, and in 2023, HBEG achieved 32% reduction and continue to work to do this by optimising the use of our real estate portfolio and carrying out a strategic reduction in our office space and data centres. We are using new technology and emerging products to make our spaces more energy efficient. We continue to look for opportunities to procure renewable electricity in our market.

In 2023, HBEG had successfully transformed all our network premises' Lighting from conventional into LED, saving more than 800 megawatts (MW) annually. Additionally for the last few years HSBC Egypt has participated in the annual WWF Earth Hour campaign, by turning off lights in its offices for one hour.

Business travel

Our global ambition is to halve travel emissions by 2030, compared with pre-pandemic levels. In 2023, HBEG travel emission is 3% below our travel emissions of 2019. HBEG is closely managing the gradual resumption of travel through internal reporting and review of emissions, internal carbon budgets and the introduction of emissions information at the point of booking. With hybrid working embedded across the organisation, the use of virtual working practices has reduced the need for our colleagues to travel to meet with other colleagues and customers.

Engaging with our supply chain

On HSBC Group level, our supply chain is critical to achieving our net zero ambition, and we are engaging with our suppliers on this journey. Since 2020, we have been encouraging our largest suppliers to make their own carbon commitments, and to disclose their emissions via the CDP (formerly the Carbon Disclosure Project) supply chain programme.

We will continue to engage with our supply chain through CDP, and through direct discussions with our suppliers on how they can further support our transition to net zero.

In 2023, HSBC Group launched supplier net zero guides, providing further details to support suppliers in understanding our net zero ambitions, as set out in our supplier code of conduct. Globally we are developing internal decarbonisation plans for the highest-emitting procurement

categories (IT hardware, real estate, data centre and servers, and telecom services), to be included in category strategies and to support future supplier selection.

99% of Egypt third party population has signed the HSBC code of conduct which includes HSBC's expectations on environmental, social, labor, health & safety and ethics.

Focus on natural resources

Alongside our net zero operations ambition, our aim at group level is to be a responsible consumer of natural resources. Through design, construction and operational standards, we strive to ensure that, wherever possible, our premises do not adversely affect the environment or natural resources. We have identified specific focus areas including waste, paper and sustainable diets, and are exploring key opportunities to reduce our wider environmental impact over the coming decade.

The use of plastics was successfully reduced in HSBC Maadi Head Office, by providing ceramic mugs, acrylic cups and water flasks for use instead of paper cups, plastic spoons, and plastic water bottles. Switching away from single-use items helps reduce the amount of waste we produce and contributes to a cleaner and more sustainable environment.

For our efforts to reduce waste, we added categories' signage to all our waste bins to ensure a better waste distribution for recycling. With the cooperation and support of building

occupants, the signage can drive positive behavioral change, leading to a significant reduction in waste generation and a more sustainable future for all.

Aligning with our digitalization and Sustainability strategy, HSBC Egypt has taken various measures to reduce paper consumption, at which HSBC Egypt successfully launched a couple of initiatives to reduce paper consumption with continuous efforts to eliminate unnecessary consumption along the way.

On a wholesale level, Global Payments Solutions (GPS) has newly

released number of digital solutions and services to support our customers such as digital only payments.

Emissions from our energy and travel

HSBC Group reports emissions following the Greenhouse Gas Protocol. Globally we report greenhouse gas emissions resulting from the energy used in our buildings and employees' business travel. Due to the nature of our primary business, carbon dioxide is the main type of greenhouse gas applicable to our operations.

In 2023, HSBC Egypt reduced emissions from our energy consumption and travel to 2,116 tonnes CO₂e, which represents a 31% reduction compared with our 2019 baseline. This was mainly attributed to: travel volumes remaining low compared with pre-pandemic levels.

Emissions from business travel increased compared with 2022, due to the easing of pandemic-related travel restrictions which resulted in a return to travel.

For further details on methodology used please refer to [Annual Report and Accounts 2023: see pages 41-98 for ESG disclosures \(PDF 7MB\)](#) "Net zero in our own operations"

HSBC Egypt Energy and travel greenhouse gas emissions in tonnes CO₂e*

	2023
Scope 1 emissions ¹	6
Scope 2 emissions (market based) ¹	4,415
Scope 3 (Business Travel) emissions ²	293

*Our environmental data for our own operations is based on a 12-month period to 30 September.

¹ Data is now presented on an absolute value basis and not rounded values. Data in 2023 is subject globally to an independent limited assurance by PwC in accordance with International Standard on Assurance engagements 3410 (Assurance Engagements on Greenhouse Gas Statements). For further details, see GHG Reporting Guidance 2023 and third-party limited assurance report at www.hsbc.com/our-approach/esg-information/esg-reporting-and-policies.

² Due to data constraints for HSBC Egypt scope 3 emissions includes Business travel only

	2019	2023	
Total Energy (Kwh)	14.2M	11M	▼
Business Travel (Km)	1.6M	1.2M	▼
Total Energy Emissions (Tonnes)	6.5K	4.4K	▼
Total Travel Emissions (Tonnes)	0.3K	0.3K	▼

Intensity ratio for 2023, the total emissions (energy and travel)/FTE for Egypt is 1.33tn CO₂e/FTE.

Sustainability Risk Policies

Our sustainability risk policies help to set out our appetite for financing and advisory activities in certain sectors. Our policies are important mechanisms for delivering our net zero ambitions, as well as for managing sustainability risks.

Our policies

Our sustainability risk policies comprise our core net zero-aligned policies – thermal coal phase-out and energy – and our broader sustainability risk policies covering: agricultural commodities, chemicals, forestry, mining and metals, and World Heritage Sites and Ramsar-designated wetlands. We also apply the Equator Principles when financing relevant projects.

Our sustainability risk policies focus on mitigating the negative impacts of specific sectors on people and the environment. Our net zero policies, including energy and thermal coal phase-out, also support our ambition to transition to net zero. Engaging with customers on their transition plans is a key aspect of our net zero

Biodiversity and natural capital-related policies

Our sustainability risk policies impose restrictions on certain financing activities that may have material negative impacts on nature. While a number of our sustainability risk policies have such restrictions, our forestry and agricultural commodities policies focus specifically on a key nature-related impact: deforestation. These policies require customers involved with major deforestation risk commodities to operate in accordance with sustainable business principles. We also require palm oil

policy approach. These policies aim to provide clear signals to our customers on how our appetite and expectations for different activities are changing, as well as how we will consider their plans for the future.

We continue to review policy implementation as we apply our policies in practice, and our operationalization of such policies continues to be enhanced. We take a risk-based approach when identifying transactions and clients to which our energy and thermal coal phase-out policies apply, and when reporting on relevant exposures, adopting approaches proportionate to risk and materiality. This helps to focus our efforts on areas where we believe we can help drive meaningful change, while taking into account experience from policy implementation over time.

We regularly review our policies, incorporating feedback and building on experience from policy implementation over time. Where we identify activities that could cause material negative impacts, we expect customers to demonstrate that they

customers to obtain certification under the Roundtable on Sustainable Palm Oil, and commit to 'No Deforestation, No Peat and No Exploitation.'

Our energy policy

Our HSBC Group energy policy covers the broader energy system, including upstream oil and gas, fossil fuel power generation, hydrogen, renewables, and hydropower, nuclear, biomass and waste to energy sectors. The policy seeks to balance three objectives: driving down global greenhouse gas emissions; enabling an orderly transition that builds

are identifying and mitigating risks responsibly, and we will look to take required actions as outlined in our policies, which may include applying financing restrictions or enhanced due diligence.

Governance and implementation

Our Group/Regional Risk and Compliance function has specialists who review and support implementation of our sustainability risk policies. Our relationship managers are the primary point of contact for many of our business customers and are responsible for managing customers' adherence to the sustainability risk policies. They are supported by sustainability risk managers who are responsible for advising on, and overseeing, the management of risks as outlined in the policies. Where considered appropriate, oversight of the development and implementation of policies are escalated to relevant internal governance committees within HSBC Egypt attended by senior members of the Risk and Compliance functions and businesses.

resilience in the long term; and supporting a just and affordable transition, recognising the local realities in all the communities we serve. The energy policy was first published in December 2022 and updated in January 2024. We review the policy annually to help ensure that it remains aligned with our net zero by 2050 ambition and strategic objectives.

Our thermal coal phase-out policy

As set out in the HSBC Group thermal coal phase-out policy, we are committed to phasing out the financing of thermal coal-fired power

and thermal coal mining in EU and OECD markets by 2030, and globally by 2040. Our policy aims to support thermal coal phase-out aligned to science-based timeframes, recognising the different pace between advanced and emerging economies. In turn our policy supports progress towards the HSBC Group financed emissions targets for the power and utilities and thermal coal mining sectors. The policy was first published in December 2021 and is reviewed annually, with the most recent update in January 2024, to help ensure that it remains aligned with our commitments and takes into consideration relevant changes in external factors.

Managing Climate Risk

Managing risk for our stakeholders

Climate risk relates to the financial and non-financial impacts that may arise as a result of climate change and the move to a net zero economy. We manage climate risk across all our businesses and are incorporating climate considerations within our traditional risk types in line with our Group-wide risk management framework. Our most material exposure to climate risk relates to wholesale financing activity within our banking portfolio.

Within HSBC Group, our banking business is well positioned to support

Thermal coal financing exposures

At HSBC Group level, we intend to reduce thermal coal financing drawn balance exposure from a 2020 baseline by at least 25% by 2025 and aim to reduce it by 50% by 2030.

HSBC Group has now revised the basis of preparation for its thermal coal exposures. Aligned with the Group thermal coal phase-out policy, it applied a risk-based approach to identify clients and report on relevant exposures. This includes the use of globally recognised third-party data sources to screen clients and applies materiality considerations to product type, customer type and exposure type, which informs inclusion and

exclusion requirements. Specifically, for product types, short-term lending exposures are excluded from Group thermal coal financing exposures reporting in line with Group financed emissions methodology. For customer types, exclusions are applied for certain customer types such as sovereigns and individuals.

Considering materiality criteria helps us to focus our efforts on areas where we believe we can help drive meaningful change, while taking into account experience from policy implementation over time.

our customers managing their own climate risk through financing. For our wholesale customers, we use our transition and physical risk questionnaire as part of our risk framework to understand their climate strategies and risk. We have set out a suite of policies to guide our management of climate risk, including our recently updated energy policy and thermal coal phase-out policy. We continue to develop our climate risk appetite and utilize metrics to help manage climate exposures in our wholesale and retail portfolios. We also develop and use climate scenario analysis to gain

insights on the long-term effects of transition and physical risks across our wholesale and retail banking portfolios.

We manage the climate risk in our banking portfolios through our risk appetite and policies for financial and non-financial risks. This helps enable us to identify opportunities to support our customers, while continuing to meet stakeholder expectations. Below outlines HSBC Group policies that we follow and align with.

Partnering for systemic change

Supporting systemic change to deliver net zero

We recognise that collective action is critical to achieve net zero. We seek to collaborate with a range of partners to develop a supportive environment for achieving net zero and mobilising finance for climate action and nature-

based solutions. We act independently and voluntarily in our decision making, based on our own business interests, priorities, and objectives, and in accordance with the laws and regulations.

Our ability to achieve our own net zero ambition at a Group level is heavily reliant on the mobilization of all stakeholders, public and private, across multiple geographies.

Working with the governmental bodies, regulators, and public sector

We engage with governments and public bodies to support the implementation of policies and regulations, including promoting good practice to develop globally consistent approaches to nature and climate-related financial regulation. In 2023, these included:

- ◆ HSBC Egypt joined a partnership agreement between Egypt Government and development partners (including international banks) on the Energy Pillar of Egypt's Country Platform for the Nexus on Water Food, and Energy Programme.
- ◆ HSBC Egypt joined East Mediterranean Gas Forum's Advisory Committee with the primary objective of providing sustainable finance expertise in relation to the forum's decarbonisation initiative.
- ◆ HSBC Egypt is a member of the Egyptian Federation of Banks – Sustainable Finance Committee.

Working with civil society and non-governmental organisations

HSBC has been present in Egypt for more than 40 years and we have a long-standing commitment to our stakeholders to deliver on our philanthropic activities. We focus on the areas of Future Skills (for young adults and entrepreneurs) and in unlocking next-generation climate solutions to accelerate the transition to net zero. As part of our Global philanthropy, we have partnered with a range of organisations to support the acceleration of climate action and investments in nature. HSBC Group five-year Climate Solutions

Partnership initiative with the World Resources Institute, WWF and over 50 local partners, continues to support the scaling up of nature-based solutions. In 2021, HSBC Egypt partnered with the American University in Cairo to develop a **Participatory Mangrove Ecosystem Restoration Model (MERS)**. Through our partnership, in 2023 we continued our nature-based-solutions project to address climate change challenges and help to enhance the environmental, social and economic resilience of the local

communities through the restoration and rehabilitation of mangrove ecosystem in Egypt. The project aims to boost the local community ecosystems, creating jobs and new business opportunities. The project aims to achieve CO₂ reduction against a baseline, increase resilience to climate change, have measurable benefits to people in the landscape or seascape, create several sustainable enterprises financed or supported through the project and measure the amount of finance mobilised.

Social

Building inclusion and resilience

Aligning with our Global approach, we play an active role in opening up a world of opportunity for our customers, colleagues and communities by connecting across our international networks to help build a more inclusive and resilient society.

Promoting diversity and fostering inclusion	Our approach to diversity and inclusion	We value diversity of thought and we are building an inclusive environment that reflects our customers and communities.	Page 19
	Fostering an inclusive culture		
Building a healthy workplace	Listening to our colleagues	HBEG run a Snapshot survey and report insights to HBEG Executive Committee.	Page 20
	Being a great place to work	We aim to create a great workplace that will help in attracting, retaining and motivating our colleagues so they can deliver for our customers.	Page 20
	Health and Safety	We are committed to providing a safe and healthy working environment for everyone.	Page 22
Developing skills, careers and opportunities	Learning and skills development	We aim to build a dynamic, inclusive culture where colleagues can develop skills and experiences that help them fulfil their potential.	Page 23
	Energising our colleagues for growth	We are committed to offering colleagues the chance to develop their skills while building pipelines of talented colleagues to support the achievement of our strategic priorities.	Page 24
Building customer inclusion and resilience	Our approach to customer inclusion and resilience	We aim to support financial well-being and remove barriers people can face in accessing financial services.	Page 25
Engaging with our communities	Building a more inclusive and resilient world	We focus on a number of priorities where we can make a difference to the community and support sustainable growth.	Page 27

Employees

At 31 December 2023, HSBC Egypt had a total workforce equivalent to 1,604 full-time employees compared with 1,580 at the end of 2022. Of our total workforce we have 39% females and 61% males. We also have 102 contractors/service providers who work for HSBC. We aspire to provide a high-performing environment where our colleagues can fulfil their potential by building their skills and capabilities while focusing on the development of a diverse and inclusive culture. We use employee surveys to assess progress and make changes. We want to provide an open culture, where our colleagues feel connected and supported to speak up, and where our leaders encourage and use feedback. In 2023, total leavers were 123 and total new joiners were 133 compared to 116 leavers and 93 joiners in 2022.

Promoting diversity and fostering inclusion

Our approach to diversity and inclusion

Aligning with HSBC Group purpose, 'Opening up a world of opportunity', explains why we exist as an organization and is the foundation of our diversity and inclusion strategy. Inclusion is an enabler for our "energise" strategic pillar and is embedded in the values of our organization. By valuing difference and seeking different perspectives, we can more accurately reflect the societies we serve, creating better outcomes for customers and colleagues.

We remained focused on creating a diverse and inclusive environment, especially in senior leadership roles, which are those classified as band 3 and above in our global career band structure. We achieved 39.3% female representation in senior leadership positions by the end of 2023. We continued to help our colleagues develop future-ready skills.

A data-driven approach to inclusion

We are evolving our data-driven approach by enabling more of our colleagues to self-identify across a range of data points. This data has enabled us to set locally relevant priorities and identify areas of our organisation where we need to focus our attention. We invite colleagues to self-identify on a broad range of data points where we can. We have enabled 65% of our colleagues to disclose their ethnic background. Employees can also share their disability and gender identity data.

Fostering an inclusive culture

We value difference and believe that diversity makes us stronger. We aim to build a diverse and connected workforce where everyone feels a sense of belonging. In 2022, we introduced a social well-being index that measures the connectedness of our colleagues as we embrace hybrid working practices. To help us achieve

our ESG ambitions, a number of measures are included in the annual and long-term incentive scorecards of HBEG Executive Committee members. We expect all colleagues at HSBC to treat each other with dignity and respect to ensure an inclusive environment. Our policies make it clear that we do not tolerate unlawful discrimination, bullying or harassment on any grounds.

Employee resource groups

Our employee resource groups ('ERGs') foster an inclusive culture and contribute significant value to our colleagues, they operate globally and are led by colleagues with a range of shared values, identities, interests and goals, including: generation, disability, ethnicity, and gender. Our employee resource groups celebrate key dates in the diversity calendar and hold events for colleagues to raise awareness and build empathy.

Building a healthy workplace

Listening to our colleagues is an essential part of building a healthy workplace at HSBC. We capture employee feedback in a variety of ways to understand how our colleagues feel about HSBC and to help us improve the employee experience.

Listening to our colleague

HSBC Egypt received a record 1309 responses to the Snapshot survey in September, with 81% of employees participating. Our record participation has enabled us to put more data directly in the hands of our people managers, while maintaining the confidentiality of individual employees' responses. Managers are supported by a guided action planning tool to help them understand and interpret insights relevant to their team, while directing them towards support resources for them and their teams to explore. We continue to report insights to our Executive Committee and the Board, and results are shared to provide senior leaders across business areas with detailed insight to help plan and make decisions.

HBEG uses eight Snapshot indices as aligned with HSBC Group to measure key areas of focus and compare against peer institutions.

Empowering and energising our colleagues is crucial for inspiring a dynamic culture. Our headline measure of employee engagement captures how employees feel about HSBC: whether they are proud to say they work here, whether they would

recommend working at HSBC, and how motivated they feel to do their best work. At HBEG level, employee engagement increased by seven percentage points compared with 2022.

Employee conduct and harassment

We expect all our employees to treat each other with respect and dignity, and we do not condone harassment and bullying in any form. Over the past few years, we have strengthened our approach to bullying and harassment, improving our collective understanding of, and response to, these issues. In 2023, we launched our global code of conduct which is supported by our Global anti-bullying and harassment code. This continues to help HBEG to maintain high standards of conduct across the Group, while accommodating local cultural requirements. HBEG has mandatory procedures, both globally and locally, for handling and investigating employee concerns, which include those for bullying and harassment. Cases are continually monitored from our speak-up channels, and data is reported to management committees to ensure there is visibility at leadership level.

What we learned

All eight of HBEG's Snapshot indices improved by 13 points in 2023. Employee engagement, which is our headline measure, rose from 60% in 2022 to 73% in 2023. The Strategy index continued to improve as it rose from 64% in 2022 to 75% in 2023. Our colleagues continued to feel proud that they work for HSBC and would recommend HSBC as a great place to work. Within the Strategy index, employees recorded feeling increasingly confident about the future of the company and understanding of our strategic objectives. We still saw in comments relating to pay in the Snapshot survey, despite our efforts and actions took place to address the macro-economic situation and to encounter inflation/devaluation throughout the year. HBEG Snapshot survey showed 67% of colleagues reported they intend to stay with HSBC for five or more years, a 6 points increase compared to 2022. Despite this. Snapshot survey tells us that career development and pay continue to be key influencing factors for voluntary attrition, and they remain central to HBEG people strategy.

Being a great place to work

To deliver our purpose, ambition and strategy we need the best people, performing at their best. Creating a great workplace helps us attract, retain and motivate our colleagues so they can deliver for our customers. Underpinning this is our reward strategy, which was globally updated

in 2022 to create an environment where the best people want to work. Our workforce proposition is rooted in our purpose and values, and the principles of rewarding colleagues responsibly, recognising colleagues' success and supporting our colleagues to grow.

Social well-being and flexible working

Hybrid working is a key part of our flexible working proposition and requires trust. At HSBC Egypt we have empowered our people to find the right balance, guided by the three principles of:— customer focus, by delivering excellent outcomes for our

customers;— team commitment, by connecting with each other, building our community and collaborating; and— two-way flexibility, by providing more choice on how, when and where we work, suitable for the roles we perform.

Colleagues consistently tell us that our approach to flexible and hybrid working is a key reason to recommend HSBC as an employer. More colleagues than ever are working in a hybrid way, where working time is split between the office and home or another location.

We know that getting the balance right has a positive effect on our colleagues, while working at home eliminates commuting time and provides more opportunities to balance work and life, some benefits of being together in person cannot be recreated remotely. Colleagues in hybrid roles reported the highest positive sentiment across key employee indices, including engagement, trust and inclusion. However, nearly half of our colleagues told us that the networks of people they regularly interacted with decreased during the pandemic, and they missed social connections. To support managers and colleagues to continue to find the right balance between individual flexibility and social connection, we have refreshed our training to equip managers with skills to lead flexible teams.

Our approach to rewarding colleagues responsibly

In 2024, HSBC Group will launch our new approach to pay and performance to ensure we are able to motivate colleagues in a way that is authentic to our culture and values. Our approach will help colleagues have clarity on performance

expectations, awareness of development opportunities and access to resources. As part of this programme, we are proposing to simplify assessments of colleagues and shift the focus to conversations about performance and growth, while improving transparency and structure in our fixed and variable pay design.

Recognising colleagues' success

At the beginning of each year, we ask colleagues to set goals with support from their line managers to ensure they are aligned with the overall global, local strategy and business priorities. We expect our people managers to hold regular performance and development conversations, incorporating feedback, and discussing well-being. In the Snapshot survey, 70% of colleagues indicated they were happy with the support their manager provided for career development.

Well-being

Our well-being programme focuses on mental, physical, financial and social wellbeing. In our employee Snapshot survey carried out in September, 58% of our colleagues in HSBC Egypt said they believe HSBC cares about their well-being, however we still have room for development in this area.

Mental well-being

Supporting our colleagues' mental health remains a top priority. Global Snapshot survey revealed that 81% of colleagues rating their mental health as positive. It also revealed that 68% of colleagues felt confident talking to their manager about their mental health. We have continued to make telephone counselling services through our Employee Assistance Program and Headspace, a

meditation app, available to all colleagues globally.

Physical well-being

The Snapshot survey revealed an area of improvement when it comes to physical well-being. We have continued to provide access to private medical insurance; covering 100% of permanent employees and we provide on-site doctor.

Financial well-being

Our Snapshot survey revealed in financial well-being, with 38% of colleagues reporting positively. This is an impact of the exceptional inflation and rising cost of living in Egypt. Considerable efforts and actions took place to address the macro-economic situation and to encounter inflation/devaluation throughout the year.

Social well-being

HSBC Group introduced social well-being as a new pillar of our programme in 2022, to focus on social connections and work-life balance. Snapshot surveys showed 55% of colleagues say they can integrate their work and personal life positively. We will continue to facilitate this by enabling flexible working arrangements, including hybrid working, in line with our future of work initiative. Colleagues feel confident talking to their manager about work-life balance, with 79% saying they do. At Our Best' platform that allows colleagues to recognise each other's contributions, by providing mobile access to encourage real time acts of appreciation. We launched key wellbeing initiatives that add to our existing bundle of benefits taking our commitment to a flexible working culture even further. We've pioneered the launch of the Caregivers and the Paternity Leaves

as one of the few employers in Egypt who avail these benefits.

We also provide employees with access to top notch mobile apps to support their wellbeing, which are Virgin Pulse and Headspace. Along with the apps, there's an Employee Assistance Programme which offers a 24/7, free, confidential psychological support service.

Looking to the future on disability

Enhancing the experience of our employees, particularly those with disabilities, is a vital part of our commitment to build an inclusive organisation. A key initiative has been a targeted career development programme to empower colleagues with confidence to drive their careers forward. We strongly believe in providing equal opportunities for our

employees. The employment of people with a disability is included in this commitment. We are committed to retaining disabled employees in the workplace and to providing reasonable adjustments to enable this. Where necessary, we will provide appropriate training, facilities and reasonable equipment. We have also fulfilled the 5% regulatory mandate of hiring people with disability.

As part of our D&I agenda HSBC Egypt realized that people with disabilities (PWDs) in Egypt need support to develop the employability skills they need to thrive in the modern world. We built a PWDs Training for Employment, not just to fulfil our 5% requirement, but also to have a positive impact on the future of young PWDs and giving back to

society by supporting this minority group. In 2020, we built partnerships with Cairo University and Helwan University who helped us connect with the students with disabilities. In 2023, we hired a total of 57 new students and hosted an event, inviting our partners and students with disabilities. The event was a cultural training and was kicked-off by HSBC Egypt's CEO, followed by speeches from Egyptian Banking Institute, British Council, and University Heads.



Health and safety

We are committed to providing a safe and healthy working environment for everyone. We have adopted global policies, mandatory procedures, and incident and information reporting systems across the organisation that reflect our core values and are aligned to international standards. Our global health and safety performance is subject to ongoing monitoring and assurance to ensure we are compliant with relevant laws and regulations.

Our HBEG Chief Operating Officer has overall responsibility for engendering a positive health and safety culture and ensuring that global policies, procedures and systems are put into practice locally. They also have responsibility for ensuring all local legal requirements are met.

We delivered a range of programmes in 2023 to help us understand and manage our health and safety risks:

- We reinforced our advice and risk assessment and control methodology on working from home for employees adopting a hybrid work style, providing more awareness and best practices on good ergonomics and well-being.
- HBEG delivered health and safety training and awareness to HBEG employees, vendors and contractors, ensuring roles and responsibilities were clear and understood.
- We completed the annual safety inspection on all of our buildings, to ensure we were meeting our standards and continuously improving our safety performance.

- We maintained measures in our workplaces to minimize the risks from the spread of respiratory disease, including through the provision of hand sanitiser, improved ventilation, and guidance on good hygiene practices.
- We continued to focus on enhancing the safety culture in our supply chain through our SAFER Together programme, covering the five key elements of best practice safety culture, including speaking up about safety and recognising excellence.
- We continued to provide our guidance and training programme for our construction partners, to reduce the likelihood of accidents occurring by helping them understand and deliver industry-leading health and safety performance.

Developing skills, careers and opportunities

We aim to build a dynamic environment where our colleagues can develop skills and undertake experiences that help them fulfil their potential. Our approach helps us to meet our strategic priorities and support our colleagues' career goals.

Fair and Transparent Selection Process

At HSBC Egypt, our key focus when it comes to hiring and selection, is to drive a transparent and fair process that's solely based on merit. Candidates go through a rigorous selection process, based on online assessments and interviews. All external candidates need to pass a values assessment to ensure their values align with our values at HSBC. Successfully selected external candidates also go through a comprehensive vetting process to ensure there are no concerns in regards to this candidate's background. non-employees or contractors, also follow a strict vetting process to ensure the same.

Learning and skills development

Our resources

The way we work and the way we learn has changed, driven by the adoption of hybrid working styles and digital capabilities. We use a range of skill development platforms, learning courses and resources to help colleagues take ownership of their development and career, including:– HSBC University, which is our home for learning and skills accessed online and through a network of training centres where Learning is organised through technical academies on topics of strategic importance;– Careers at HSBC, which enables all employees to set alerts and search for

Learning foundations

We expect all colleagues, regardless of their contract type, to complete global mandatory training each year. This training plays a critical role in shaping our culture, ensuring a focus on the issues that are fundamental to our work– such as sustainability, financial crime risk, and our intolerance of bullying and harassment. New joiners attend our Global Discovery programme, which is designed to build their knowledge of the organisation and engage them with our purpose, values and strategy. As the risks and opportunities our business faces change, our technical academies adapt to offer general and targeted development. Our Risk Academy provides learning for every employee in traditional areas of risk management such as financial crime risk, but also offers more specific development for those in senior leadership, high risk roles and learning for colleagues on emerging issues such as ESG risk, terrorist

internal career opportunities; and– HSBC Talent Marketplace, which is our online platform that uses artificial intelligence ('AI') to match colleagues interested in developing specific skills with opportunities that exist throughout our global network.

We aim to build a dynamic, inclusive culture where the best wants to develop the skills and experiences that help them fulfil their potential. This determines how we develop our people and recruit, identify and nurture talent. A range of resources bring this to life including:

financing, proliferation financing and sanctions.

Preparing for the future

Our Global approach to learning is skills' based. Our academies teams work with businesses to identify the key skills and capabilities they need in the future. alongside this, we help colleagues identify, assess and develop the skills that match their aspirations and ambition.

Evolving how we learn

During the Covid-19 pandemic, we strengthened our digital offering to enable colleagues to develop their skills in a hybrid environment. Our colleagues can access HSBC University online via our Degreed learning platform, using it to identify, assess and develop skills through internal and external courses and resources in a way which suits them. Degreed materials range from short videos, articles or podcasts to packaged programmes or curated learning pathways that link content in a logical structure.

Global mandatory training plays a critical role in shaping our culture by ensuring everyone is focused on issues that are fundamental to working at HSBC, from sustainability to financial crime risk, to our intolerance of bullying and harassment.

In 2023, the total learning hours spent were 26,301 hours for Employees and 112 hours for contractors; this includes 99% completion rate of the Fighting Financial Crime training for employees and 100% for contractors. We also had a 79% completion rate for the Financial Crime Risk Curriculum High Risk Role Learning

(14 completions out of 17 assignments) and the remaining completions were due in 2024.

As the opportunities we face change, we provide development to key groups of colleagues through business and technical academies. This includes our risk academy, which

helps us to develop broad capabilities in traditional areas of risk like financial crime but also in emerging risk issues like climate risk and the ethics of AI and data. Our approach to learning is skills based. Our academies work with our businesses to identify the key skills and capabilities we need in the future. Our platform for learning

content is Degreed. This helps colleagues identify, assess, and develop key skills through internal and external training materials in a way that suits them. Content can range from quick videos, articles, or podcasts to packaged programmes or learning pathways.

Energising our colleagues for growth

Identifying and retaining future talent

The starting point to identifying talent is having a fair and inclusive recruitment process. Our talent programmes have been designed to support employees to make the successful transition into more complex roles and to support participants in planning for a long-term career at HSBC. Our colleagues from the talent acquisition and learning teams, welcomed over 28 Summer Interns to HSBC Bank Egypt and in 2022 we welcome both Summer Interns, Winter Interns and Graduate Program Associates. Our programmes are a key enabler of our broader diversity goals as well as building strong relationships with future talent.



Our approach to workforce remuneration and Benefits

Total compensation, which comprises fixed and variable pay, is the key focus of our remuneration framework, with variable pay differentiated by performance and demonstration of

value-aligned behaviours. We set out below the key features and design characteristics of our remuneration framework:

Remuneration

HSBC's pay and performance strategy is designed to reward competitively the achievement of long-term sustainable performance and attract and motivate the very best people, regardless of gender, ethnicity, age, disability or any other factor unrelated to performance or experience with the Group, while performing their role in the long-term interests of our stakeholders.

Remuneration structure for employees

Fixed Pay

- Fixed pay may include salary a fixed pay allowance.
- It is based on predetermined criteria, non-discretionary, transparent, and not reduced based on performance.
- Fixed pay may change to reflect an individual's position, role or grade, individual skills, capabilities, and experience.
- Fixed pay is delivered in cash on a monthly basis.

Benefits

Support the physical, mental and financial health of a diverse workforce in accordance with local market practice. Benefits include, the provision of an end-of-service scheme, medical insurance, life insurance to

cover death on service, relocation support and car allowance for senior levels.

Link between risk, performance and reward

Aligning with our HSBC group policies, our remuneration practices promote sound and effective risk management while supporting our business objectives and the delivery of our strategy. We set out below the key features of our framework, which help enable us to achieve alignment between risk, performance and reward, subject to compliance with local laws and regulations.

Individual Performance

Assessment of individual performance is made with reference to clear and relevant financial and non-financial objectives. Objectives for senior management take into account appropriate measures linked to sustainability risks, such as: reduction in carbon footprint; facilitating financing to help clients with their transition to net zero; employee diversity targets; and risk and compliance measures. A mandatory global risk objective is included in the scorecard of all other employees. All employees receive a behaviour rating as well as a performance rating, which ensures performance is assessed not only on what is achieved but also on how it is achieved.

Building customer inclusion and resilience

Our approach to customer inclusion and resilience

We believe that financial services, when accessible and fair, can reduce inequality and help more people access opportunities. We are playing an active role in opening up a world of opportunity for individuals by supporting their financial well-being, and removing the different barriers that people can face in accessing financial services.

Access to products and services

At HBEG we provide innovative solutions to help improve customer access to products and services and providing a comprehensive range of asset products to enable them to manage their day-to-day finances. We launched "Retail Business Banking" targeting professionals (doctors and dentists) offering finance options up to 7 years to serve their small business needs. We also re-vamped our cashback credit card to provide customers with up to 4% cashback on their daily spend. Further extended our partnerships by availing to customers more 0% instalment plan offer, through one of the Fin-tech service providers: "Paymob". We have also launched a pro-active limit increase program, availing a credit limit increase to circa 20k customers, to meet customers' needs for higher credit limits especially with the witnessed high inflation rates, thus reflecting our continuous efforts to create value for our clients.

On the digital front, we have continued to differentiate HSBC by continuously enhancing our digital tools and capabilities, where the growth in digital enrolment is key in deepening our clients' relationship where 80% of our customers are online registered and 73% of our New

to Bank customers use the digital channels during their early relationship with the bank. Also, following our successful launch of InstaPay application in 2022, numbers have been increasing month over month, where total onboarded customers reached 140K as of November 2023, Total transactions reached 800K trxs/Month with total amount EGP7.1bn

Leveraging on our digital capabilities that have always been a powerful driver of our clients' engagement and satisfaction, we are in the final development phase of our new Mobile application and planning to launch to customers in 2024, subject to regulatory approvals. Furthermore, we have launched ATM Contactless and Recycler features which will re-position our ATM service across the region, group, and the local market.

We also deliver the technology and platforms necessary to help manage trade risk, process trade transactions and fund trade activities, ultimately making it easier for businesses to connect to new markets and trade partners around the world.

Supporting financial knowledge and education

We continue to invest in financial education, content and features across different channels to help customers, colleagues and communities be confident users of financial services, in that respect Financial Inclusion and awareness events, carried out for University students in Egypt (American university in Cairo and Assiut University).

HSBC Egypt is also focused on customer financial inclusion, by offering basic bank accounts with no minimum balance required and no-account opening fees to ensure customer inclusivity and that we don't turn away customers based on their income status.

And finally, a Financial Well-being HUB is currently being published on our Public Website and to be launched soon early next year aiming at offering relevant financial education content that allow our customers and staff to become more financially resilient and have better financial health and security and that is besides our continuous Financial Inclusion and awareness events, carried out for University students in Egypt as well as supporting Corporate Sustainability in the launch and implementation of the INJAZ Building a Financially Capable Generation program for school students.

Creating an inclusive banking experience

We aim to ensure that our banking products and services are designed to be accessible for customers experiencing either temporary or permanent challenging circumstances, such as disability, impairment or a major life event.

Accessibility features are now added to HSBC Egypt cards to support people with different disabilities and come with features to indicate which way the card should be used.

HSBC Disability Confidence training completed by all Branch Staff, to best meet the unique needs of customers with disabilities.

Supporting Small & Medium Enterprises (SME's):

HSBC has been the proud sponsor of NilePreneur for 4 years, a Central Bank of Egypt initiative, that aims to develop the skills and capabilities of young entrepreneurs. NP Academy is an educational start-up accelerator that provides business founders with

a 6-month intensive program delivering business management training to equip participants with future skills, knowledge to grow in international markets and connect them to new sustainable opportunities. We will continue to support SMEs through leveraging our international

connectivity, product capabilities and through direct balance sheet support. In 2023, HSBC Egypt successfully launched its own brand “SME Afaq” with strong reach above forecast across different platform & high recognition amongst the Venture Capital “VC” & Tech start-ups ecosystem.



Engaging with our communities

Building a more inclusive and resilient world

Globally we have a long-standing commitment to support the communities in which we operate. We aim to empower people and communities to develop the skills and knowledge needed to thrive in the future.

Through the global reach of our charitable partnerships we bring together diverse people, ideas and perspectives that help us open up opportunities and build a more inclusive world.

We are empowering our people and those in our communities to develop skills for the future. Through our charitable partnerships and volunteering opportunities, our people share their skills and create a positive impact in society.



HSBC has been present in Egypt for more than 40 years and we have a long-standing commitment to our stakeholders to deliver on our philanthropic activities. We focus on the areas of Future Skills (for young adults and entrepreneurs) and in unlocking next-generation climate solutions to accelerate the transition to net zero. A brief of some of the flagship programmes is presented below:

Widows' Saving and Loan Association (WISALA)

The programme is in partnership with Global Fund for Widows, a micro-bank created to address the funding gaps of traditional microfinance that excluded widows due to the requirements for furnishing of collateral /male co-signatories, both of which a widow has lost, and to offer widows with dignified and empowering access to capital that they need. In 2023 we managed to successfully impact a total of 500 widows in El Minya.

Employability for Egyptian Youth.

Along with Education for Employment Egypt we concluded the final cohort of the programme, impacting a total of 250 Egyptian

youth through upskilling ending with job placement and 4,000 through Career Directions (cv writing, interview skills and how to find a job) across 16 governorates.

Next Generation of Automotive Technicians in Green Jobs – Ghabbour Foundation.

The project is in its second year, focusing on the qualification and empowerment of a class of 25 young automotive technicians to become specialized in the maintenance of electric vehicles, an imperative requirement for the eminent deployment of electric vehicles in Egypt. The programme will represent the pioneer class of qualified technicians specialized in electric vehicles maintenance in time for the

widespread introduction of these vehicles in Egypt and in preparation for the 2030 vision of Egypt's industry strategy.

MENAT Regenerative Agriculture Venture.

The programme is in partnership with Goumbook and it was the first regional Regenerative Agriculture Venture Programme, aiming to empower and upskill researchers who are addressing fundamental agricultural challenges of the MENAT region. We are looking at solutions related to hunger and nutrition, climate change mitigation and adaption, carbon sequestration, soil health, salinity, water scarcity, desertification, biodiversity loss & food security.

Governance

Act Responsibly

We remain committed to high standards of governance. We work alongside our regulators and recognise our contribution to building healthy and sustainable societies.

In this section

Setting high standards of governance	HSBC Egypt governance structure and ESG governance	We expect that our approach to ESG governance is likely to continue to develop, in line with our evolving approach to ESG matters and stakeholder expectations.	Page 29
Human rights	Our respect for human rights	We have continued to raise awareness and develop our understanding of our salient human rights issues	Page 33
Customer experience	Customer satisfaction	We remain committed to improving customer experience	Page 34
	How we listen	We aim to be open and transparent in how we track, record and manage complaints.	Page 34
Integrity, conduct and fairness	Safeguarding the financial system	We have continued our efforts to combat financial crime and reduce its impact on our organisation, customers and communities that we serve	Page 36
	Whistleblowing	Our global whistleblowing channel, HSBC Confidential, allows our colleagues and other stakeholders to raise concerns confidentially.	Page 36
	A responsible approach to tax	We seek to pay our fair share of tax in all jurisdictions in which we operate.	Page 37
	Conduct: Our product responsibilities	Our conduct approach guides us to do the right thing and to focus on the impact we have on our customers and the geographies in which we operate.	Page 37
Safeguarding data	Data privacy	We are committed to protecting and respecting the data we hold and process, in accordance with the laws and regulations of the markets in which we operate	Page 39
	Cybersecurity	We invest in our business and technical controls to help prevent, detect and mitigate cyber threats	Page 39

Setting high standards of governance

Corporate Governance at banks is important to help ensure sound practices, promoting transparency and efficiency, in consistency with the law. The HBEG Board ('The Board') and the management are committed to the long-term success of HBEG and generating stable and sustainable returns for the shareholders. Standards of Corporate Governance, in particular those defined by Central Bank of Egypt ('CBE') and other regulatory bodies, are fundamental in supporting HBEG to facilitate better execution of activities and creating sustainable shareholder value, without overlooking the interests of other stakeholders in the Bank and the business community at large.

HBEG has a comprehensive range of policies and procedures in place designed to help ensure that it is well managed. HBEG is continuously developing its Corporate Governance Framework ('The Framework') to meet the highest standards by leading professional bodies and regulatory authorities. The Framework outlines a consistent approach across the Bank infused into its culture and will be reviewed on a periodic basis by the Board of Directors. HBEG as a whole, along with HBEG Board, Senior Management and employees are collectively responsible for integrating the Corporate Governance Framework into their day-to-day activities. The Board sets the "tone at the top", the management ensures that the Corporate Governance Framework is implemented through a robust set of policies and procedures, and employees follow the Corporate

Governance requirements in their day-to-day business.

HSBC Bank Egypt is committed to complying with the highest standards of corporate governance principles, which is reflected in the relationships and responsibilities of the management, the Board and the shareholders in line with local regulatory requirements and global requirements of the HSBC Group. HBEG's governance policies and practices cover all aspects of the Bank's daily operations including the creation and execution of strategies, the definition and application of risk appetite parameters and setting the balance between shareholders' obligations and depositors' interests. HBEG management seeks to ensure that the daily activities of the Bank's operations are executed in a secure manner and in compliance with the prevailing laws and regulations.

HBEG's commitment to organizational governance is evidenced by:

- The composition of the HBEG Board of Directors and the inclusion of independent, non-executive Directors.
- The clear definition of Directors' duties.
- The operation and composition of Board's committees including the Audit Committee, the Risk Committee, the Governance and Nomination Committee and the Salaries and Remuneration Committee.
- The frequency of meetings of the Board and of the Board's Committees in line with local regulatory requirements.

- The internal control framework, reflected in the structure and operation of the Bank.
- The adoption and implementation of internal policies and procedures covering all business aspects.
- The existence of transparent communication and disclosure channels.

The HBEG Board of Directors

The Board remains committed to having an inclusive culture that recognises the importance of gender, social and ethnic diversity, and the benefits gained from different perspectives. For further details on Board members and full biographies please refer to the [HSBC Bank Egypt S.A.E Annual Report and Accounts 2023](#)

The Board Committees

The purpose of HSBC Bank Egypt's corporate structure, headed by the Board of Directors and led by the Chairman, is to deliver sustainable value to its shareholders. The Board sets the strategy for the Bank and approves the risk appetite and capital and operating plans presented by management to achieve the strategic objectives it has set. Implementation of the strategy set by the Board is delegated to the Executive Committee, led by the Chief Executive Officer. To achieve its strategic objectives, the Board has also appointed a number of Directors and Executive Management to serve on Board Committees. The responsibilities of these committees and its membership are as follows:

Audit Committee

The Audit Committee is responsible for reviewing and monitoring financial and internal audit matters, and for ensuring that effective systems of internal control (including financial control) are in place. The members of the Audit Committee as at 31 December 2023 are Mr. Nadim Ghanem (Chairman), Mr. Christian Deseglise and Mr. Tamer El Raghy.

Risk Committee

The Risk Committee has responsibilities to oversee and advise the Board on all high-level risk related matters in relation to risk governance; and to review the effectiveness of the bank's risk management framework

Shareholding

HSBC Bank Egypt S.A.E is a 94.5 per cent owned subsidiary of HSBC Holdings plc through HSBC Holdings B.V.

The shareholding structure is as follows:

HSBC Holdings BV	94.5%
Misr Insurance Company	3.4%
Misr Life Insurance Company	1.7%
Others	0.4%

Nomination and selection of the Board

HBEG follows its Corporate Governance framework and ensure alignment with local regulation in terms of nominating its Board of Directors and related Committees with consideration to diversity and independence.

Diversity and inclusion are embedded within the culture of HBEG. The Board remains committed to having an inclusive culture that recognises the importance of diversity in gender, capabilities, skills, experience,

and internal control systems. The members of the Risk Committee as at 31 December 2023 are Mr. Christian Deseglise (Chairman), Mr. Nadim Ghanem, Mrs. Hanan Abdel Meguid and Mr. Todd Wilcox.

Governance and Nomination Committee

The Governance and Nomination Committee is responsible for leading the process for Board appointments and for identifying and nominating, for approval by the Board, candidates for appointment to the Board in addition to evaluating the bank's governance system. The members of the Governance and Nomination Committee as at 31 December 2023 are Mrs. Maha Abdel Razek

(Chairperson), Mr. Tamer El Raghy and Mr. Nadim Ghanem.

Salaries and Remuneration Committee

The Salaries and Remuneration Committee considers remuneration matters for the bank in the context of the Group's remuneration policy, proposes the fees for directors for approval by the Board and the shareholders and reviews performance-based remuneration with reference to corporate goals and objectives. The members of the Salaries and Remunerations Committee as at 31 December 2023 are Mrs. Hanan Abdel Meguid (Chairperson), Mrs. Maha Abdel Razek and Mr. Christian Deseglise.

knowledge and age group and the benefits gained from different perspectives.

Mr. Nasser Alshaali, the Chairman of HSBC Egypt Board of the Directors is Non- Executive Chairman.

Board Responsibilities

The Board, led by the Chairman, is responsible among other matters for:

- Promoting HBEG's long-term success and delivering sustainable value to shareholders;
- Establishing and approving HBEG's strategy and

objectives, and monitoring the alignment of purpose, strategy and values with the desired culture and standards;

- Approving and monitoring capital and financial resource plans for achieving strategic objectives;
- considering and approving HBEG's technology and environmental, social and governance strategies;
- Ensuring effective engagement with, and encouraging participation

from, shareholders and other key stakeholders;

- Approving the appointment and remuneration of Directors, including Board roles;
- Approving the selection and appointment of the senior executives and supervising their performance;
- Reviewing HBEG's overall corporate governance arrangements.

The Board delegates day-to-day management of the business and implementation of strategy to the HBEG CEO. To assist the CEO in his day-to-day management of HBEG, he is supported by recommendations and advice from the Executive Committee, an executive forum comprising of senior HBEG management which he chairs.

Management Committees

The Bank's main governance committees are the Risk Management Committee, the Executive Committee, the Assets and Liabilities Committee and the Country Impairment Forum, all of which have direct reporting lines to the Board of Directors and the Board's Committees with exception of the Executive Committee.

Executive Committee (EXCO)

The Executive Committee is an executive management committee that meets at least 6 times a year and operates as a general management committee with regards to the day-to-day management of the bank. The purpose of the Executive Committee is to maintain a reporting and control structure whereby all lines of business and functions are

accountable to the individual members of the Committee who report to the Chief Executive Officer who chairs the Executive Committee.

Risk Management Committee (RMM)

HBEG Risk Management Meeting (RMM) is a formal governance committee established to provide recommendations and advice to HBEG Chief Risk Officer (CRO) on enterprise-wide risk management of all risks within HBEG. It supports the CRO's individual accountability for the oversight of enterprise risk as set out in the Group's Enterprise Risk Management Framework (ERMF).

RMM serves as the governance body for enterprise-wide risk management with particular focus on risk culture, risk appetite, overall risk profile and integration of risk management into HBEG's strategic objectives and is chaired by CRO. RMM reports to the Risk Committee of the Board of Directors.

Assets and Liabilities Committee (ALCO)

Assets and Liabilities Committee serves as the governance body to consider ALCO issues. ALCO issues are defined as issues and risks with regards to assets, liabilities, capital, liquidity and funding risk, interest rate risk in the banking book, structural foreign exchange risk, structural and strategic equity risk and ALCO books. The purpose of ALCO is to ensure that ALCO issues are captured, monitored and controlled by management. It is an advisory committee, chaired by the Chief Finance Officer (CFO), to support the CFO's individual accountability for ALCO issues in Egypt, and to recommend proposals

and decisions for approval to the CFO.

Country Impairment Forum (CIF)

The main objective of the Country Impairment Forum is to oversee the calculation processes for impairments to ensure that impairment models are established in line with the IFRS9 policies and to approve the final impairment figures. The CIF ensures that an effective control environment exists around the entire impairment process. The Chief Risk Officer and the Chief Finance Officer co-chair the Country Impairment Forum, which reports to both the Audit and Risk Committees and reports material issues to the Board of Directors.

Conflicts of interest

There is an established policy and set of procedures to help ensure that the Board's management of Directors' conflicts of interest is effective.

The responsibility for the ongoing review of the conflicts register is conducted by the Board. Upon appointment, new Directors are advised of the policy and procedures for managing conflicts. Directors are required to notify the Board of any actual or potential conflicts of interest and to update the Board with any changes to the facts and circumstances surrounding such conflicts.

Directors are requested to review and confirm their own and their respective closely associated persons' outside interests and appointments on quarterly basis. All non-executive Directors are re-vetted every three years following appointment and as part of such process all conflicts checks are refreshed.

Collective knowledge of the Board

The Company Secretary works with the Chairman to ensure that all Board members receive appropriate training, both individually and collectively, throughout their time on the Board. On appointment, new Directors are provided with tailored and comprehensive induction programmes to fit with their individual experiences and needs, including the process for managing conflicts.

The Company Secretary also helps to arrange and deliver the induction programme through formal briefings and introductory sessions with other Board members, senior management, legal counsel, auditors, tax advisers and regulators, as appropriate. Topics covered in the induction programme include, but are not limited to: purpose and values; culture and leadership; governance and stakeholder management; Directors' legal and regulatory duties; anti-money laundering and anti-bribery; technical and business briefings; and strategy.

The structure of the induction supports good information flows within the Board and its committees, as well as between senior

management and non-executive Directors, providing a clear understanding of our culture and way of operating.

Directors were also issued routine training modules that all staff must complete annually. During 2023, this training covered topics including risk management, cybersecurity, sustainability, health, safety and well-being, financial crime, and data.

Non-executive Directors also discussed individual development areas with the Chairman as part of their ongoing performance discussions with regard to their contributions on the Board.

The Company Secretary makes appropriate arrangements for any additional training needs identified including arranging topic-specific deep dives.

Evaluation of the performance of Board

The Board and its committees are committed to annual evaluation of their effectiveness through a review that covers the Board's performance and the extent of the board member's compliance with the duties of his / her position and the necessary requirements to enhance his/her efficiency.

How is ESG Governed

The Board aims to promote HSBC's long-term success, deliver sustainable value to shareholders and promote a culture of openness and debate. There are also several committees consisting of certain Directors and co-opted non-director members - for full details on HSBC's Global ESG governance structure please refer to [Annual Report and Accounts 2023: see pages 41-98 for ESG disclosures \(PDF 7MB\)](#)

The Board takes overall responsibility for ESG strategy, overseeing executive management in developing the approach, execution and associated reporting. Progress against our ESG ambitions is reviewed through Board discussion and review of key topics such as updates on customer experience and employee sentiment. The Board is regularly provided with specific updates on ESG matters. As per Central Bank of Egypt regulations HBEG Board is responsible for reviewing and approving the ESG reported information, including the organization's material topics.

Putting in place a Sustainability Unit as per Central Bank Mandate to ensure that ESG is embedded within the bank's credit aspects and operations, which although is already adopted by HSBC globally, but aligns the bank to local regulations.



Human rights

Our respect for human rights

As set out in the HSBC Group Human Rights Statement, we recognise the role of business in respecting human rights. The HSBC Group approach is guided by the UN Guiding Principles on Business and Human Rights ('UNGPs') and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

Our salient human rights issues

HSBC Group continues to raise awareness and develop its understanding of its salient human rights issues. These are the human rights at risk of the most severe negative impact through our business activities and relationships.

Managing risks to human rights

In 2023, HSBC Group continued the process of adapting its risk management procedures to reflect what it had learned from its work on

salient human rights issues and related guidance. The Group continued to embed and build on the Sustainable Procurement Mandatory Procedure, which sets out the minimum sustainability requirements for procurement activity. This included enhanced procedures for human rights risk identification through the introduction of a human rights residual risk questionnaire for suppliers as part of the global onboarding assessment process.

Our salient human rights issues

Illustration of HSBC Group's inherent human rights risks mapped to business activities.

Inherent human rights risks		HSBC activities				
		Employer	Buyer	Provider of products and services		
				Personal customers	Business customers	Investor ¹
Right to decent work	Freedom from forced labour		◆		◆	◆
	Just and favourable conditions of work	◆	◆		◆	◆
	Right to health and safety at work	◆	◆	◆	◆	◆
Right to equality and freedom from discrimination		◆	◆	◆	◆	◆
Right to privacy		◆		◆		◆
Cultural and land rights			◆		◆	◆
Right to dignity and justice		◆	◆	◆	◆	◆

Customer Experience

We remain focused on improving customers' experiences. In 2023, we gathered feedback from our customers across our businesses to help us understand our strengths and the areas we need to focus on.

Customer satisfaction

Listening to drive improvement

We have continued to embed our feedback system so we can better listen, learn and act on our customers' feedback.

We use the net promoter score ('NPS') to provide a consistent measure of our performance. NPS is measured by subtracting the percentage of 'detractors' from the percentage of 'promoters'.

'Detractors' are customers who provide a score of 0 to 6, and 'promoters' are customers who provide a score of 9 to 10 to the question: 'On a scale on 0 to 10, how likely is it that you would recommend HSBC to a friend or colleague'.

We continue aligning and driving our Customer Protection unit agenda, thus aligning with the Central Bank of Egypt regulations. We continue to focus on Customer Protection key areas of focus, which include:

- Treating customers fairly.

- Disclosure and Transparency in regards to features and pricing of all products and services offered by HSBC.
- Efficient complaints handling process.
- Enhancing the banking culture awareness.
- Protecting our customers' data and information security.

In order to ensure we maintain consistent oversight and governance over customer experience and customer rights' protection in all aspects of how we manage our business, at HSBC Egypt, we regularly run multiple governance forums including a dedicated Customer Experience Forum, Risk Management Forums, Audit Committee and Senior management meetings in order to ensure prioritizing customer journey improvement and ensure our journey remapping strategy is underpinned by

clear trackers and ultimately to track our complaint handling and resolution performance and metrics.

How we listen

To improve how we serve our customers, we must be open to feedback and acknowledge when things go wrong. We continue to adapt at pace to provide support for customers facing new challenges, new ways of working and those that require enhanced care needs. We aim to be open and consistent in how we track, record and manage complaints, although as we serve a wide range of customers – from personal banking and wealth customers to large corporates, institutions and governments – we tailor our approach in each of our businesses. We have a consistent set of principles that enable us to remain customer-focused throughout the complaints process.

Our principles	Our Actions
Making it easy for customers to complain	Customers can complain through the channel that best suits them. We provide a point of contact along with clear information on next steps and timescales.
Acknowledging Complaints	All colleagues welcome complaints as opportunities and exercise empathy to acknowledge our customers' issues. Complaints are escalated if they cannot be resolved at first point of contact.
Keeping the customer up to date	We set clear expectations and keep customers informed throughout the complaint resolution process through their preferred channel.
Ensuring fair Resolution	We thoroughly investigate all complaints to address concerns and ensure the right outcome for our customers.
Providing available rights	We provide customers with information on their rights and the appeal process if they are not satisfied with the outcome of the complaint.
Undertaking root cause analysis	Complaint causes are analysed on a regular basis to identify and address any systemic issues and to inform process improvements.

Acting on feedback

We have continued to focus on developing our products and services and enhancing our digital capabilities to improve customer experience.

Wealth and Personal Banking 'WPB'

Following the regulations received during 2023 pertaining foreign currency usage, we have ensured to take every measure to fulfill customer needs whilst complying with the regulatory framework through creating new customer journeys whilst accommodating increased customer demands through our channels.

Despite the fact that the overall complaints volume increased by 22% HBEG continues to focus on complaint first contact resolution to be resolved within 1 business day achieving a progress of 3% YoY. In 2023, HBEG aimed to deliver our products and services in a fair and transparent manner, and give our customers the tools to raise their voice and responding to their needs with the suitable solutions and

products. We gathered feedback from over 4000 customers to help us recognise our strengths and identify areas of focus. Given the dynamic business and economic environment, we focused on improving how we serve our customers. Being open to feedback and acknowledging when things require improvement is key to quickly adapting to maintain our position as a leading brand; therefore, in 2023, we developed multiple customer experience capabilities under a single flagship customer experience strategy called "AURA". This includes a branch mystery shopping alternative capability which covered over 60% of our branch network, staff recognition programs where over 120 of our people were recognised, a customer experience workshop attended by over 100 of our people, a senior

management customer engagement capability for HSBC leaders obtaining feedback from over 50 customers directly, and multiple journey remapping work-streams ranging from credit card and foreign currency usage journeys to disputes and Contact Centre journeys.

Sustainability and social responsibility continue being a key priority for customer experience, thus we introduced the following sustainable finance solutions:

- o Sustainable finance retail products i.e. Electric Vehicle and Energy Efficient Products Personal Finance (Market Pioneer)
- o Migrating our cards to rPVC.
- o We added a 'Charity' category to our cards Reward Points redemption list.

Commercial and Global Banking

Complaints are an opportunity for growth and improvement, while we continue to resolve customer complaints effectively, the process does not end here as we continue to learn from such incidents to improve. We continue to make good and steady progress in our journey towards providing a seamless customer experience. we have focused on complaints resolution and bringing resolution time frames

in line with targets, while meeting customer expectations.

In 2023, We continued to focus on developing our products and services, and enhancing our digital capabilities to improve customer experience we have launched several initiatives to ensure smooth and seamless payment operations for our customers; In Nov 23 we launched 100% digital initiative where by HSBC Digital Channels is the only

available channel to process payments and initiate trade finance transactions, additionally we reviewed our internal processes to provide Faster channels onboarding and improved our Straight through Processing Rates for payments, Moreover, we listened to our customers feedback on our trade operations and worked to improve our service levels through investing into our systems and process.

Integrity, conduct and fairness

Safeguarding the financial system

We have continued our efforts to combat financial crime and reduce its impact on our organisation, customers and the communities that we serve. Financial crime includes fraud, bribery and corruption, tax evasion, sanctions and export control violations, money laundering, terrorist financing and proliferation financing.

We manage financial crime risk because it is the right thing to do to protect our customers, shareholders, staff, the communities in which we operate, as well as the integrity of the financial system on which we all rely. We have a financial crime risk management framework that is applicable across all global businesses and functions. The financial crime risk framework, which is overseen by the Board, is supported by our financial crime policy that is designed to enable adherence to applicable laws and regulations globally. Annual global mandatory training is provided to all colleagues, with additional targeted

training tailored to certain individuals. We carry out regular risk assessments to identify where we need to respond to evolving financial crime threats, as well as to monitor and test our financial crime risk management programme.

We continue to invest in new technology, including through the deployment of a capability to monitor correspondent banking activity. We are also enhancing our fraud monitoring capability and our trade screening controls and investing in the application of machine learning to improve the accuracy and timeliness of our detection capabilities.

These new technologies should enhance our ability to respond effectively to unusual activity and be more granular in our risk assessments. This helps us to protect our customers, the organisation and the integrity of the global financial system against financial crime.

Our anti-bribery and corruption policy

Our global financial crime policy requires that all activity must be: conducted without intent to bribe or corrupt; reasonable and transparent; considered to not be lavish nor disproportionate to the professional relationship; appropriately documented with business rationale; and authorised at an appropriate level of seniority. There were no concluded legal cases regarding bribery or corruption brought against HSBC or its employees in 2023. Our global financial crime policy requires that we identify and mitigate the risk of our customers and third parties committing bribery or corruption. Among other controls, we use customer due diligence and transaction monitoring to identify and help mitigate the risk that our customers are involved in bribery or corruption. We perform anti-bribery and corruption risk assessments on third parties that expose us to this risk. We perform daily screening of all customer records for sanctions exposure.

Whistleblowing

We want colleagues and stakeholders to have confidence in speaking up when they observe unlawful or unethical behavior. We offer a range of speak-up channels to listen to the concerns of individuals and have a zero-tolerance policy for acts of retaliation.

Listening through whistleblowing channels

Our global whistleblowing channel, HSBC Confidential, is one of our speak-up channels, which allows our colleagues and other stakeholders to raise concerns confidentially and, if preferred, anonymously (subject to local laws). In most of our markets, HSBC Confidential concerns are raised through an independent third

party, offering 24/7 hotlines and a web portal in multiple languages. We also provide and monitor an external email address for concerns about accounting, internal financial controls, or auditing matters (accountingdisclosures@hsbc.com). Concerns are investigated proportionately and independently, with action taken where appropriate. This can include disciplinary action such as dismissal, and adjustments to variable pay and performance ratings or operational actions including changes to policies and procedures.

We promote our full range of speak-up channels to colleagues to help ensure their concerns are handled through the most effective route.

The Group Audit Committee has overall oversight of the Group's whistleblowing arrangements, and the chair of the Group Audit Committee acts as HSBC's whistleblowers' champion with responsibility for ensuring and overseeing the integrity, independence and effectiveness of the organization's policies and procedures.

Regulatory Compliance sets the whistleblowing policy and procedures and provides the Group Audit Committee with periodic updates on their effectiveness. Specialist Compliance teams and investigation functions own whistleblowing controls, with monitoring in place to determine control effectiveness.

A responsible approach to tax

We seek to pay our fair share of tax in Egypt, and to minimize the likelihood of customers using our products and services to evade or inappropriately avoid tax. We also abide by international protocols that affect our organization. Our approach to tax and governance processes is designed to achieve these goals. Through adoption of HSBC Group's risk management framework, we seek to ensure that we do not adopt inappropriately tax-motivated transactions or products, and that tax planning is scrutinized and supported by genuine commercial activity. HSBC has no appetite for using aggressive tax structures.

With respect to our own taxes, we are guided by the following principles:

We are committed to applying both the letter and spirit of the law. This includes adherence to Instructions

issued by the Central Bank of Egypt and executive regulations of Egyptian tax laws, a variety of measures arising from the OECD Base Erosion and Profit Shifting initiative including the 'Pillar Two' global minimum tax rules which will apply to the Group from 2024.

We seek to have open and transparent relationships with all tax authorities. We cooperate with the relevant local tax authorities to mutually agree and resolve these in a timely manner.

With respect to our customers' taxes, we are guided by the following principles:

We have made considerable investments to support external tax transparency initiatives and reduce the risk of banking services being used to facilitate customer tax evasion. Initiatives include implementation of Egypt legislation on the corporate criminal offence of

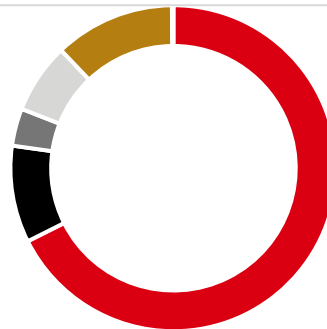
failing to prevent the facilitation of tax evasion, and the US Foreign Account Tax Compliance Act, the OECD Standard for Automatic Exchange of Financial Account Information ('Common Reporting Standard').

Our tax contributions

The effective tax rate for the year of 28.6% was higher than in the previous year (2022: 27.8%). The effective tax rate for the year increased by 0.8%. The difference is mainly attributed to the impact of investment in Government Securities according to the Egyptian tax law. As highlighted below, in addition to paying EGP 2,845m of our own tax liabilities during 2023, we collected taxes of EGP 575m on behalf of Egyptian Tax Authority. A more detailed breakdown of the taxes paid in 2023 is provided below.

Taxes paid 2023 – by type of tax

- Tax on profits EGP2,312M (2022: EGP1,512M)
- Withholding taxes EGP329M (2022: EGP184M)
- Salary tax EGP127M (2022: EGP82M)
- Stamp tax EGP238M (2022: EGP206M)
- Irrecoverable VAT EGP409M (2022: EGP197M)
- Real Estate tax EGP5M (2022: EGP3M)



Conduct: Our product responsibilities

Our Group conduct approach guides us to do the right thing and to focus on the impact we have for our customers and the financial markets in which we operate. It is embedded into the way we design, approve, market, and manage products and services, with a focus on five clear outcomes:

- We understand our customers' needs.
- We provide products and services that offer a fair exchange of value.
- We service customers' ongoing needs and put it right if we make a mistake.
- We act with integrity in the financial markets we operate in.
- We operate resiliently and securely to avoid harm to customers and markets.
- We train all our staff on our approach to conduct, helping to ensure our conduct outcomes are part of everything we do.

Designing products and services

Our approach to product development is set out in our policies and provides a clear basis on which informed decisions can be made. Our policies require that products must be fit-for-purpose throughout their existence, meeting regulatory requirements and associated conduct outcomes.

Our approach includes:

- designing products to meet identified customer needs;
- managing products through governance processes, helping to ensure they meet customers' needs and deliver a fair exchange of value;
- periodically reviewing products to help ensure they remain relevant and perform in line with expectations we have set; and
- improving, or withdrawing from sale, products which do not meet our customers' needs or no longer meet our high standards.

Meeting our customers' needs

Our policies and procedures set standards to ensure that we consider and meet customer needs. These include:

- enabling customers to understand the key features of products and services;
- enabling customers to make informed decisions before purchasing a product or service; and
- ensuring processes are in place for the provision of advice to customers.

They help us provide the right outcomes for customers, including those with enhanced care needs. This helps us to support customers who are more vulnerable to external impacts, including the current cost of living crisis.

Financial promotion

Our policies help to ensure that in the sale of products and services, we use marketing and product materials that

support customer understanding and fair customer outcomes.

This includes providing information on products and services that is clear, fair and not misleading. We also have controls in place to ensure our cross-border marketing complies with relevant regulatory requirements.

Product governance

Our product governance arrangements cover the entire lifecycle of the product. This helps ensure that our products meet our policy requirements before we sell them. It also allows continued risk-based oversight of product performance against the intended customer outcomes.

When we decide to withdraw a product from sale, we aim to consider the implications for our existing customers and agree actions to help them achieve a fair outcome where appropriate.

Safeguarding data

Data privacy

We are committed to protecting and respecting the data we hold and process, in accordance with the laws and regulations of the markets in which we operate.

Our Group approach rests on having the right talent, technology, systems, controls, policies and processes to ensure appropriate management of privacy risk. Our Group-wide privacy policy and principles provide a consistent global approach to managing data privacy risk, and must be applied by all our global businesses and functions. Our privacy principles are available at www.hsbc.com/who-we-are/esg-and-responsible-business/managing-risk/operational-risk.

We conduct regular employee training and awareness sessions on data privacy and security issues throughout the year. This includes mandatory training for all our colleagues globally, with additional training sessions, where needed, to keep up to date with new developments in this space.

We provide transparency to our customers and stakeholders on how we collect, use and manage their personal data, and their associated rights. Where relevant, we work with third parties to help ensure adequate protections are provided, in line with our data privacy policy and as required under data privacy law. We offer a broad range of channels in the markets where we operate, through which customers and stakeholders can raise concerns about the privacy of their data.

Our dedicated privacy teams report to the highest level of management on data privacy risks and issues, and oversee our global data privacy programmes. We review data privacy regularly at multiple governance forums, including at Board level, to

help ensure appropriate challenge and visibility for senior executives.

Data privacy laws and regulations continue to evolve globally. We continually monitor the regulatory environment to ensure we respond appropriately to any changes.

As part of our three lines of defence model, our Global Internal Audit function provides independent assurance as to whether our data privacy risk management approaches and processes are designed and operating effectively. In addition, we have established data privacy governance structures, and continue to embed accountability across all businesses and functions.

We continue to implement industry practices for data privacy and security. Our privacy teams work closely with our data protection officers, industry bodies and research institutions to drive the design, implementation and monitoring of privacy solutions. We conduct regular reviews and privacy risk assessments, and continue to develop solutions to strengthen our data privacy controls.

We continue to enhance our internal data privacy tools to improve accountability for data privacy. We have procedures to articulate the actions needed to deal with data privacy.

considerations. These include notifying regulators, customers or other data subjects, as required under applicable privacy laws and regulations, in the event of a reportable incident occurring.

Intellectual property rights practices

We have a group intellectual property risk policy, supported by controls and guidance, to manage risk relating to intellectual property. This is to help ensure that commercially and strategically valuable intellectual property is identified and protected appropriately,

including by applying to register trademarks and patents and enforcing our intellectual property rights against unauthorised use by third parties. Our intellectual property framework also helps us avoid infringement of third-party intellectual property rights, supporting our consistent and effective management of intellectual property risk in line with our risk appetite.

Cybersecurity

The threat of cyber-attacks remains a concern for our organisation, as it does across the financial sector. As cyber-attacks continue to evolve, failure to protect our operations may result in disruption for customers, manipulation of data or financial loss. This could have a negative impact on our customers and our reputation. We continue to monitor ongoing geopolitical events and changes to the cyber threat landscape and take necessary proactive measures with the aim to reduce any impact to our customers.

Prevent, detect and mitigate

We invest in business and technical controls to help prevent, detect and mitigate cyber threats. Our cybersecurity controls follow a 'defence in depth' approach, making use of multiple security layers, recognising the complexity of our environment. Our ability to detect and respond to attacks through round-the-clock security operations center capabilities is intended to help reduce the impact of attacks.

We have a Global cyber intelligence and threat analysis team, which proactively collects and analyses internal and external cyber information to continuously evaluate threat levels for the most prevalent attack types and their potential outcomes. This team actively participate in the broader cyber intelligence community, including by

sharing technical expertise in investigations, alongside Central Bank of Egypt EG Fin-CIRT (cyber incident response team), others in the financial services industry and government agencies around the world.

In 2023, HSBC Group further strengthened our cyber defences and enhanced our cybersecurity capabilities with the objective to help reduce the likelihood and impact of unauthorised access, security vulnerabilities being exploited, data

leakage, third-party security exposure, and advanced malware. These defences build upon a proactive data analytical approach to help identify advanced targeted threats and malicious behaviour. We work with our third parties, including suppliers, financial infrastructure bodies and other non-traditional third parties, in an effort to help reduce the threat of cyber-attacks impacting our business services.

We have a third-party security risk management process in place to assess, identify and manage the risks associated with cybersecurity threats with supplier and other third-party relationships. The process includes risk-based cybersecurity due diligence reviews that assess third parties' cybersecurity programmes against our standards and requirements.

Policy and governance

We have a robust suite of cybersecurity policies, procedures and key controls designed to help ensure that the organisation is well managed, with effective oversight and control. This includes but is not limited to defined information security responsibilities for employees, contractors and third parties, as well as standard procedures for cyber incident identification, investigation, mitigation and reporting.

We operate a three lines of defence model, aligned to the enterprise risk management framework, to help ensure oversight and challenge of our cybersecurity capabilities and priorities. In the first line of defence, we have risk owners within global businesses and functions who are accountable for identifying and managing cyber risk. They work with cybersecurity control owners to apply the appropriate risk treatment in line with our risk appetite. Our controls are designed to be executed in line with our policies and are reviewed and challenged by our risk

stewards representing the second line of defence. They are independently assured by the Global Internal Audit function, the third line of defence. The assessment and management of our cybersecurity risk is led and coordinated by a Global Chief Information Security Officer, who has extensive experience in financial services, security and resilience, as well as in strategy, governance, risk management and regulatory compliance. The Global Chief Information Security Officer is supported by regional/Country and business level chief information security officers. In the event of incidents, the Global Chief Information Security Officer and relevant supporting officers are informed by our security operations team and are engaged in alignment with our cybersecurity incident response protocols.

Key performance indicators, control effectiveness and other matters related to cybersecurity, including significant cyber incidents, are

presented on a regular basis to various management risk and control committees including to the Board, the Group Risk Management Meeting and across global businesses, functions and regions. This is done to ensure ongoing awareness and management of our cybersecurity position.

Our cybersecurity capabilities are regularly assessed against the National Institute of Standards and Technology framework by independent third parties, and we proactively collaborate with regulators to participate in regular testing activities. HSBC Egypt cybersecurity capabilities has been rated as 'High' maturity during the Central Bank of Egypt cybersecurity framework assessment exercise. HSBC also engages external independent third parties to support our penetration and threat-led penetration testing, which help to identify vulnerabilities to cyberthreats and test security resilience.

Cyber training and awareness

We understand the important role our people play in protecting against cybersecurity threats. Our aim is to equip every colleague with the appropriate tools and behaviours they need to keep our organisation

and customers' data safe. We provide cybersecurity training and awareness to our people, ranging from our top executives to IT developers to front-line relationship managers around the world.

Over 94% of our global IT developers hold at least one of our enhanced security certifications to help ensure we build secure systems and products.

We host an annual Cyber Awareness Month for all colleagues, covering topics such as online safety at home, of education and guidance to both customers and our colleagues about social media safety, safe hybrid working, and cyber incidents and response. Our dedicated team provides a wide range of cybersecurity training and awareness how to identify and prevent online fraud.

Over 99% Employees Globally have completed mandatory cybersecurity training on time.

Over 94% IT developers in HSBC Global hold at least one of our internal secure developer certifications.

Over 90 Cybersecurity education events were held globally and/or locally (region/country)



GRI Content Index

Statement of Use: HSBC Bank Egypt S.A.E. has reported the information in accordance with the GRI Standards for the period from January 1st 2023, to December 31st 2023.

GRI Standard	Disclosure	Direct response / section in this report / reference
GRI 1: Foundation 2021		
GRI 2: General disclosures 2021		
1) The organisation and its reporting practices	2-1 Organizational details	Introduction p. 3
	2-2 Entities included in the organization's sustainability reporting	Introduction – Reporting period and scope p.3
	2-3 Reporting period, frequency and contact point	Introduction – Reporting period and scope p.3&4
	2-4 Restatements of information	Introduction – Reporting period and scope p.3
	2-5 External assurance	Our Approach to ESG - Assurance Related to ESG Data p.11
2) Activities and workers	2-6 Activities, value chain and other business relationships	Introduction – who we are p.7
	2-7 Employees	Social – Employees p. 19
	2-8 Workers who are not employees	Social – Employees p. 19
3) Governance	2-9 Governance structure and composition	Governance – Corporate governance p. 29
	2-10 Nomination and selection of the highest governance body	Governance - Setting high standard of governance
	2-11 Chair of the highest governance body	Governance - Setting high standard of governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance – Board responsibilities p. 30
	2-13 Delegation of responsibility for managing impacts	Governance – Board responsibilities p.30
	2-14 Role of the highest governance body in sustainability reporting	Governance – Board responsibilities p.30
	2-15 Conflicts of interest	Governance – Conflict of interests p.31
	2-16 Communication of critical concerns	Governance – Board responsibilities p.30 and conduct
	2-17 Collective knowledge of the highest governance body	Governance – Collective knowledge of the board
	2-18 Evaluation of the performance of the highest governance body	Governance – Evaluation of the performance of board
	2-19 Remuneration policies	Social – Remuneration p.24
	2-20 Process to determine remuneration	Social – Remuneration p.24
	2-21 Annual total compensation ratio	See ref.1

4) Strategy, Policies and Practices	2-22 Statement on sustainable development strategy	Introduction – CEO statement p.4
	2-23 Policy commitments	See ref.2
	2-24 Embedding policy commitments	See ref.2
	2-25 Processes to remediate negative impacts	See ref.2
	2-26 Mechanisms for seeking advice and raising concerns	Social – Employees – Building a healthy work place p. 20 Governance – Conduct p.37
	2-27 Compliance with laws and regulations	Governance p – see ref 1
	2-28 Membership associations	Environmental - Partnering for systemic change P. 17
5) Stakeholder engagement	2-29 Approach to stakeholder engagement	Our Approach to ESG – Engaging with our stakeholders
	2-30 Collective bargaining agreements	See ref. 3

GRI Standard	Disclosure	Direct response / section in this report / reference
GRI 3: Material Topics 2021		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our approach to ESG -Engaging with our stakeholders and our material ESG topics p.6
	3-2 List of material topics	Our approach to ESG -Engaging with our stakeholders and our material ESG topics p.6
	3-3 Management of material topics	Our approach to ESG -Engaging with our stakeholders and our material ESG topics p.6
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Refer to HSBC Egypt S.A.E Annual Accounting report
	201-2 Financial implications and other risks and opportunities due to climate change	Environmental – transition to net zero p.10, our approach to climate risk p.16
	201-3 Defined benefit plan obligations and other retirement plans	Social – Benefits p.24
	201- 4 Financial assistance received from government	None
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	See ref.6
	202-2 Proportion of senior management hired from the local community	See ref.1
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social – engaging with our communities p. 27
	203-2 Significant indirect economic impacts	Social – engaging with our communities p.27
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	See ref. 1

GRI Standard	Disclosure	Direct response / section in this report / reference
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Governance – Safeguarding the financial system p.36
	205-2 Communication and training about anti-corruption policies and procedures	Governance – Safeguarding the financial system p.36
	205-3 Confirmed incidents of corruption and actions taken	Governance – Safeguarding the financial system p.36
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No litigations were reported in 2023
GRI 207: Tax 2019	207-1 Approach to tax	Governance – our approach to Tax p.37
	207-2 Tax governance, control, and risk management	Governance – our approach to Tax p.37
	207-3 Stakeholder engagement and management of concerns related to tax	Governance – our approach to Tax p.37
	207-4 Country-by-country reporting	HSBC Egypt Bank is inscope for reporting
GRI 301: Materials 2016	301-1 Materials used by weight or volume	See ref.5
	301-2 Recycled input materials used	See ref.5
	301-3 Reclaimed products and their packaging materials	See ref.5
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental – Net zero operations p.14, see ref1
	302-2 Energy consumption outside of the organization	Environmental – Net zero operations p.14 ref1
	302-3 Energy intensity	Environmental – Net zero operations p.14 ref1
	302-4 Reduction of energy consumption	Environmental – Net zero operations p. 14 ref1
	302-5 Reductions in energy requirements of products and services	See ref. 1

GRI Standard	Disclosure	Direct response / section in this report / reference
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	See ref. 5
	303-2 Management of water discharge-related impacts	See ref. 5
	303-3 Water withdrawal	See ref. 5
	303-4 Water discharge	See ref. 5
	303-5 Water consumption	75.4m ³
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	See ref. 1

	304-2 Significant impacts of activities, products and services on biodiversity	See ref. 1
	304-3 Habitats protected or restored	Social – Communities p.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental – Net zero operations P.14
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental – Net zero operations P.14
	305-3 Other indirect (Scope 3) GHG emissions	Environmental – Net zero operations p.14
	305-4 GHG emissions intensity	Environmental – Net zero operations p.14
	305-5 Reduction of GHG emissions	Environmental – Net zero operations p.14
	305-6 Emissions of ozone-depleting substances (ODS)	See ref. 1
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	See ref. 1

GRI Standard	Disclosure	Direct response / section in this report / reference
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	See ref. 5
	306-2 Management of significant waste-related impacts	Environmental – Net zero operations p.14
	306-3 Waste generated	74 tonnes
	306-4 Waste diverted from disposal	See ref. 5
	306-5 Waste directed to disposal	See ref. 5
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Environmental – Net zero operations p.14 , see ref 1
	308-2 Negative environmental impacts in the supply chain and actions taken	Environmental – Net zero operations p.14 , see ref 1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social – Employees p.19
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social – Employees p.19
	401-3 Parental leave	See ref. 1
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	See ref.1

GRI Standard	Disclosure	Direct response / section in this report / reference
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Social – Health and Safety p.22
	403-2 Hazard identification, risk assessment, and incident investigation	Social – Health and Safety p.22
	403-3 Occupational health services	Social – Health and Safety p.22
	403-4 Worker participation, consultation, and communication on occupational health and safety	Social – Health and Safety p.22
	403-5 Worker training on occupational health and safety	Social – Health and Safety p.22
	403-6 Promotion of worker health	Social – Health and Safety p.22, Building Healthy work place
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	See ref.1
	403-8 Workers covered by an occupational health and safety management system	Social - health and Safety p.22
	403-9 Work-related injuries	See ref. 1
	403-10 Work-related ill health	See ref. 1
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Social – Employees - Developing skills, careers and opportunities p.23
	404-2 Programs for upgrading employee skills and transition assistance programs	Social – Employees - Developing skills, careers and opportunities p.23
	404-3 Percentage of employees receiving regular performance and career development reviews	Social – Employees - Developing skills, careers and opportunities p.23

GRI Standard	Disclosure	Direct response / section in this report / reference
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Governance – Board governance
	405-2 Ratio of basic salary and remuneration of women to men	Social – Employee - remuneration
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	See ref. 1
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not applicable
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Governance – Human rights, see ref. 1
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Governance – Human rights, see ref. 1

GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	See ref. 1
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Not applicable
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	See ref.1
	413-2 Operations with significant actual and potential negative impacts on local communities	See ref.1
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Environmental – Net zero operations p.14 , see ref. 1
	414-2 Negative social impacts in the supply chain and actions taken	Environmental – Net zero operations p. 14, see ref. 1
GRI Standard	Disclosure	Direct response / section in this report / reference
GRI 415: Public Policy 2016	415-1 Political contributions	HSBC does not make any political donations or incur political expenditure within the ordinary meaning of those words.
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	See ref. 4
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	See ref. 4
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	See ref. 4
	417-2 Incidents of non-compliance concerning product and service information and labeling	See ref. 4
	417-3 Incidents of non-compliance concerning marketing communications	See ref. 4
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	See ref. 1

References

1. Disclosures are either made at Group level or not currently disclosed externally or deemed confidential.
2. Our policy commitments, embedment and remediation of negative impacts are stated under each material Topic section disclosed in this document
3. We do not hold collective bargaining agreements at HSBC Egypt
4. Taking into account the nature of our business, we do not consider these to be material issues for our stakeholders
5. On relevant laws/regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non- hazardous waste, and on emissions: taking into account the nature of our business, we do not believe that there are relevant laws and regulations in these areas that have significant impacts on our operations. Nevertheless, we are fully compliant with our publication of information regarding scope 1 and 2 carbon emissions, while we only partially publish information on scope 3 carbon emissions, as the data required for that publication is not yet fully available.
6. On a country level we are abiding by local laws and regulations in this respect.

Cautionary statement regarding forward-looking statements

This ESG report contains certain forward-looking statements with respect to the financial condition, ESG related matters, results of operations and business of the group, including the strategic priorities; financial, investment and capital targets; and HBEG ability to contribute to the HSBC Group's environmental, social and governance ('ESG') targets, commitments and ambitions described herein.

Statements that are not historical facts, including statements about the group's beliefs and expectations, are forward-looking statements. Words such as 'expects', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'potential' and 'reasonably possible', variations of these words and similar expressions are intended to identify forward-looking statements. These statements are based on current plans, estimates and projections, and therefore no undue reliance should be placed on them. Forward-looking statements apply only as of the date they are made. HBEG makes no commitment to revise or update any forward-looking statements to reflect events or circumstances occurring or existing after the date of any forward-looking statement.

Forward-looking statements involve inherent risks and uncertainties. Readers are cautioned that a number of factors, including ESG related factors, could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward-looking statement.

