





## OUR ILLUSTRATIVE CHOICE

*At MCB Group, we believe that growth must be wholesome and that wealth is not just financial.*

*That's why our contribution to a dynamic local economy is as significant as promoting and protecting our cultural and environmental heritage.*

*In this year's annual reports, we honour our corporate sustainability engagement, Success Beyond Numbers, by reproducing some pieces of artwork that were entered in the Samudra art competition held earlier this year and that we co-sponsored.*



*The featured works have been chosen for their ability to fit in the publications' format and withstand close-ups. Yet it is a very small part of a significant number of remarkable entries to the competition, the diversity of which speaks volumes about the thirst for artistic expression and the talent of our people. Its wealth demonstrates the extent to which the marine environment inspires artists to create art using different forms and mediums.*

*This is a celebration of our marine environment, an essential part of our collective identity, of local talent and of the crucial role that artistic expression needs to have in society for it to prosper.*



Meet the artist

**MY FRIENDS** (2022)

Artist: Daphne Doomun

Format: Single Work

Technique/materials: Pen and ink on paper.

Size of work: 220 | 360 | 320 x 500 mm

**TRACES** (2021-2022)

Artist: Laurie Castel

Format: Single Work

Technique/materials: Indian ink and acrylic inks on plastic waste collected on Mauritian beaches.

Size of work: 20 | 20 | 10 mm (Bottle tops x 4),  
40 | 40 | 40 mm (big bottle top), 80 | 20 | 10 mm (2 spoons),  
10 | 5 | 5 mm (cigarette butt)



OUR ILLUSTRATIVE CHOICE



**HIDE AND SEEK** (2022)

Artist: Riaz Auladin

Format: Single Work

Technique/materials: Watercolour on paper.

Size of work: 46 | 85 mm



**LES MAINONYMES** (2022)

Artist: Didier Dantier

Format: Single Work

Technique/materials: Sculpture/  
installation/ceramics on recycling  
and 'up-cycling' of damaged  
fashion dummies hands and  
plaster carving.

Size of work: 380 | 340 | 400 mm



**A FROG'S JOURNEY** (2021)

Artist: Coralie Mazurier

Format: Single Work

Technique/materials: Mixed media/  
watercolour, acrylic and pen on paper.

Size of work: 920 | 660 mm

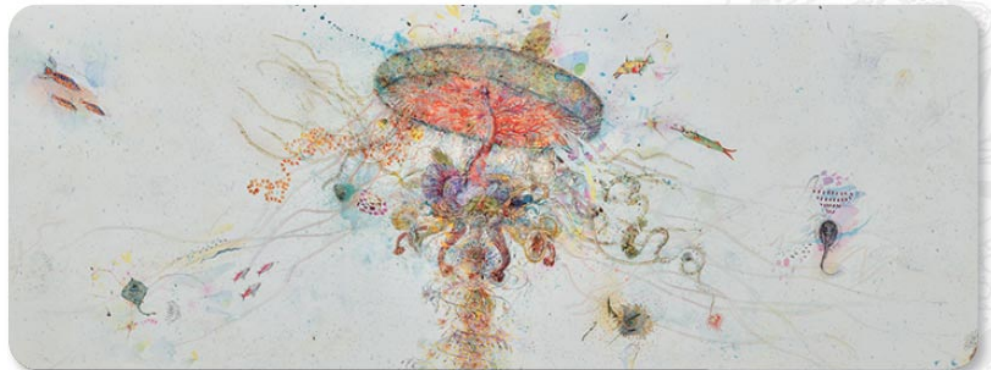
**SEAPHONY** (2022)

Artist: Fiona Nove

Format: Single Work

Technique/materials:  
Watercolour on paper.

Size of work: 46 | 85 mm





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Laurie C.  
Meet the artist



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# INTRODUCTION

As Mauritius' longest standing financial institution, our aim is to help people and communities thrive today and tomorrow.

We are proud to present our 2022 Sustainability Report, which tells you more about MCB Group Limited and unpacks the actions we took during the year to deliver on the objectives of our corporate sustainability engagement, 'Success Beyond Numbers'. This commitment provides the framework to help us have a positive economic, social, environmental and cultural impact, with a focus on three pillars:



Vibrant and sustainable local and regional economies



Our environmental and cultural heritage



Individual and collective well-being

Our values underpin our sustainability engagement, 'Success Beyond Numbers' and guide and inspire every individual across MCB Group, helping them remember that they are part of something bigger than themselves.



Integrity

Honest and trustworthy at all times



Customer Care

Delivering unrivalled service



Teamwork

Working together towards a common goal



Innovation

Proactively seeking out new opportunities



Knowledge

Believing in lifelong learning

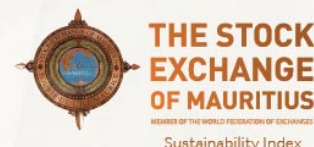


Excellence

Being the best we possibly can



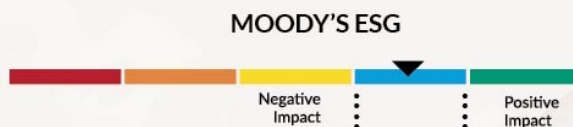
We actively participate in various national and global industry associations and voluntary initiatives to advance environmental, social and governance (ESG) best conduct in our business activities.



Independent ESG rating and research agencies recognise our leading practices.



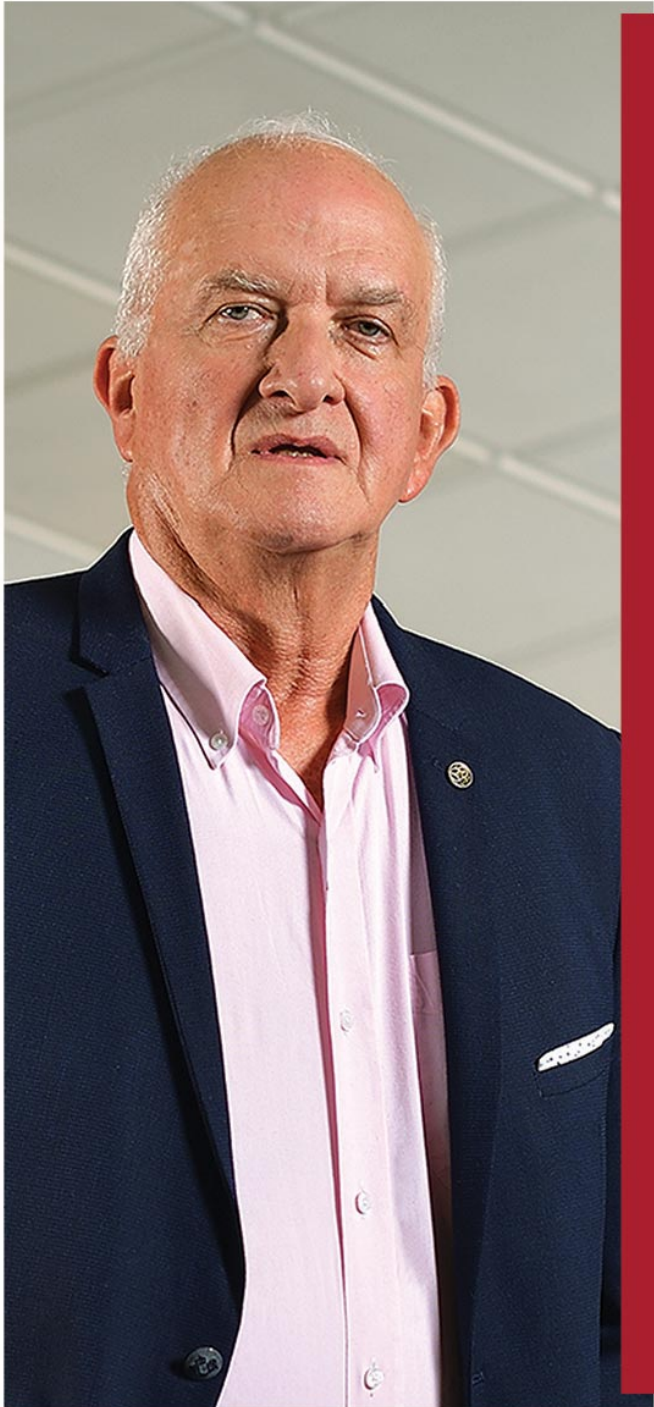
In April 2022, MCB Group received a rating of A (on a scale of AAA-CCC) in the MSCI ESG Ratings\* assessment.



In May 2022, MCB Ltd scored a CIS-2 (Neutral-to-low) ESG rating, which reflects limited credit impact from environmental and social risk factors on the rating to date, as well as neutral-to-low governance risks.

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## I AM PROUD TO PRESENT MCB GROUP LIMITED'S 2022 SUSTAINABILITY REPORT.

Globally, we have seen greater urgency to meet environmental and social goals as businesses, governments and communities recognise that failure to act will have unprecedented consequences. Similarly, we have seen rising expectations for companies to act ethically and responsibly to retain their social licence to operate. This responsibility will only increase as the world faces a growing list of social, environmental and economic challenges that require an urgent and considered response by business, grounded in ethical, sustainable and agile practices.

While sustainability has long been central to how we conduct business, MCB Group has scaled up its efforts in recent years. These efforts are driven by our conviction to redefine the very meaning of success and go well beyond numbers.

Launched in 2018, 'Success Beyond Numbers' provides a roadmap to guide the evolution of our business and ensure that we continue to pursue our contribution to the development of inclusive and prosperous communities. The dedication and commitment of our employees is a significant enabler of our sustainability strategy, as is MCB Group's alignment with leading ESG practices that are supported by robust governance and oversight.

Ultimately, MCB Group has a responsibility towards people and businesses and their prosperity. I invite you to read more about the actions the Group took during the year and to share in our achievements and response to setbacks. Looking ahead, I am confident that we are well positioned to move forward on our sustainability journey and create long-term value for our stakeholders.

*M G Didier Harel*  
Chairperson  
MCB Group Ltd



## A SHORT MESSAGE FROM OUR HEAD OF COMMUNICATION AND CORPORATE SUSTAINABILITY, VANESSA DOGER DE SPÉVILLE

At MCB Group, we are focused on infusing our sustainability agenda into the lifeblood of our organisation, into our values, and into our engagements with partners and stakeholders to make a positive impact every day in whatever we do.

MCB's pivotal role in developing the local Mauritian economy for over 180 years provides a powerful platform for acting as a force for good while we continue to pursue business opportunities. As the world learns to come to grips with the disruptions that are slowly redefining our times, there is only one certainty: we cannot continue business as usual, segregating economic growth, climate change and planetary boundaries as though one was not connected to the others.

This dawning realisation is our ally in working collectively towards creating new sustainable business models that better manage their societal and environmental impacts. This is undoubtedly the hard part. Multi-stakeholder partnerships are crucial to building solid ecosystems and addressing the complex social and environmental issues affecting our customers and communities.

For our impact to be meaningful, we have to involve all our partners along our value chain and continue to raise awareness of sustainable growth, which encompasses not only economic progress but also environmental wealth and social well-being. More importantly, we must adopt new ways of doing business, as we stand guided by our commitment to the Sustainable Development Goals (SDGs) and the United Nations 2030 Agenda for Sustainable Development.

*Vanessa Doger De Spéville*  
Head of Communication and Corporate Sustainability  
MCB Ltd





# ABOUT THIS REPORT

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## REPORT SCOPE AND BOUNDARY

In this report, MCB Group Limited (referred to as 'MCB Group Ltd' or 'Group') is the holding company of MCB Group, which consists of banking and non-banking subsidiaries and associates. Our main subsidiary, The Mauritius Commercial Bank Limited (denoted as 'MCB Ltd', 'MCB' or 'Bank'), is the leading bank in Mauritius. Initiatives in this report largely cover the Bank's non-financial performance, although some key performance indicators relate to the Group's operations. We differentiate this clearly throughout the report.

This report covers the period of 1 July 2021 to 30 June 2022. Material events taking place after this date and until the approval of the report have also been communicated. Data relating to financial, economic, social and environmental indicators remains broadly comparable to and consistent with our 2021 report.

## OUR REPORTING SUITE

This report is part of a suite of publications we produce to best meet our stakeholders' needs and expectations.



Annual Report



Sustainability Report

Our Annual Report is our primary report to our key stakeholders, which include shareholders and investors, customers, societies and communities, authorities and economic agents and employees. The report contains information on the overall strategic and operational progress achieved by the organisation during the year under review. It provides insights on our operating environment, business model and strategy, business performance, support to stakeholders, management of risk and adherence to corporate governance principles.

Our Sustainability Report complements our Annual Report and describes the Group's impacts on society, the environment and the economy. It further describes the Group's contribution to promoting the growth of sustainable local and regional economies, preserving the country's environmental and cultural heritage, and supporting individual and collective well-being.



Access these reports at <http://mcb.link/reports>

## REPORTING FRAMEWORKS AND STANDARDS

We developed this report with reference to the Global Reporting Initiative's (GRI) Sustainability Reporting Standards. Our GRI Content Index is available on pages 90-93

We welcome the Guideline on Climate-related and Environmental Financial Risk Management, which was published by the Bank of Mauritius and came into effect on 1 April 2022. As required by the Bank of Mauritius, we submitted a roadmap for the development of our internal framework for climate-related and environmental financial risk management. We are also engaging with external service providers to assist us with the physical and transition risk assessment. Read more about our response on page 54.

We track emerging ESG reporting developments, such as the launch of the International Sustainability Standards Board, the publication of the Exposure Drafts of IFRS Sustainability S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures, and the increasing alignment of ESG reporting frameworks and standards. We remain committed to refining our reporting approach to ensure we provide our stakeholders with relevant and fit-for-purpose disclosure.

## FEEDBACK

We continue to engage with all stakeholders to ensure that we improve our reporting year-on-year. For more information about this report, or to provide feedback, please send an email to [vanessa.dogerdeseville@mcb.mu](mailto:vanessa.dogerdeseville@mcb.mu).







# MCB GROUP AT A GLANCE

MCB Group has evolved into a prominent regional banking and financial services player. It offers customised products and services to a wide range of clients through its local and foreign banking and non-banking subsidiaries and associates. The Group's main subsidiary, MCB Ltd, is a dynamic organisation with a rich heritage. It is the leading bank in Mauritius and an increasingly well-known regional player.





**400**  
Correspondent banks  
(2021: ~ 460)



**212**  
ATMs  
(2021: 213)



**~ 314,400**  
Internet Banking Subscribers  
(2021: ~ 287,500)



**61**  
Branches/Kiosks  
(2021: 62)



**~ 14,000**  
Point-of-sale terminals  
(2021: ~ 12,800)



**~ 441,600**  
MCB Juice Subscribers  
(2021: ~ 408,200)



**~ 1,145,000**  
MCB Group overall customer base  
(2021: ~ 1,106,700)



**Rs 74 billion**  
Market capitalisation on Stock Exchange of Mauritius  
(2021: Rs 65.4 billion)  
*(First on the local stock market)*



**~ 22,300**  
Shareholders  
(2021: ~ 22,000)



**3,878**  
Employees  
(2021: 3,695)



**40%**  
Domestic credit to the economy  
(2021: ~ 40%)



**609<sup>th</sup>**  
In the world in terms of Tier 1 capital  
(2021: 622<sup>nd</sup>)

*The Banker Top 1000 World Banks, July 2022*



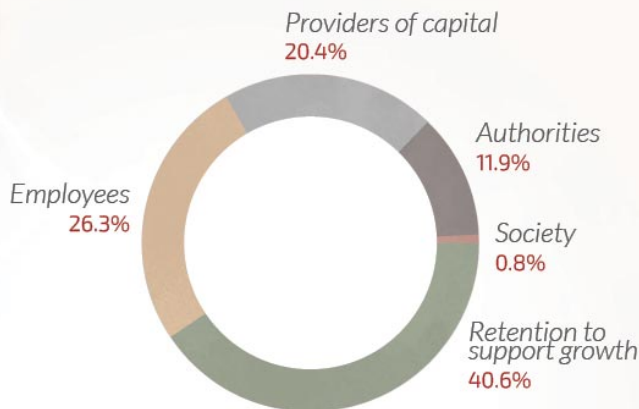
**77<sup>th</sup>**  
In Africa in terms of market capitalisation  
(2021: 94<sup>th</sup>)

*African Business Top 250 Companies, April 2022*

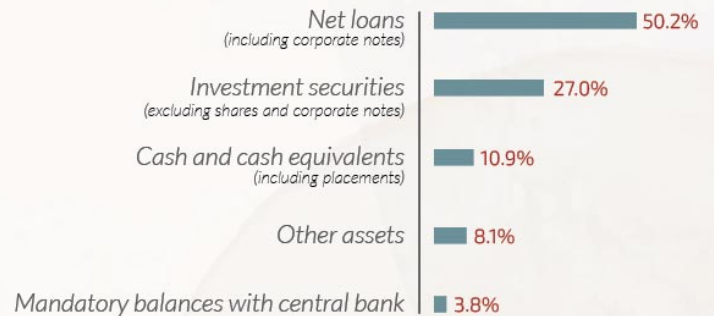


**Leading Regional Bank**  
Based on operating income and profitability, L'Eco Austral, Top 500 Regional, Edition 2022

WEALTH CREATED BY MCB GROUP - RS 18.6 BILLION



ASSETS - RS 728.1 BILLION

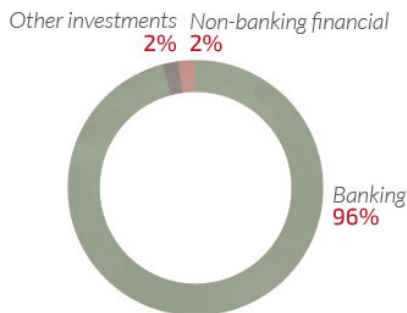




The subsidiaries and associates of the Group operate under three clusters that include Banking, Non-banking financial, and Other investments.

|   |   |  |
|---|---|--|
|  <p><b>Banking</b></p>               | <p>The Bank delivers a wide range of financial products and services across customer segments to help clients fulfil their growth ambitions and meet their transactional needs. Clients have multiple channels and platforms at their disposal and can avail of innovative digital and payment solutions.</p> | <p>The business lines include Retail (caters for the day-to-day and lifetime needs of retail customers), Private Banking and Wealth Management (nurtures client relationships through the delivery of dedicated advisory services), Business Banking (acts as a financial partner to small, medium and mid-market enterprises), and Corporate and Institutional Banking (assists domestic large corporate and institutional clients) and foreign banking subsidiaries.</p>   |
|  <p><b>Non-banking financial</b></p> | <p>The Group has gradually entrenched its participation in the non-banking financial services field.</p>  | <p>Key entities include MCB Capital Markets Ltd, which is the investment banking and asset management arm of MCB Group. MCB Factors Ltd is a prominent operator in the field of factoring in Mauritius. MCB Leasing Ltd offers a wide range of finance and operating leasing solutions. MCB Microfinance Ltd facilitates access to credit by micro and small entrepreneurs.</p>  |
|  <p><b>Other investments</b></p>    | <p>The Group is involved across several other business areas and ancillary undertakings. The Group also has dedicated structures to promote its actions in the Corporate Social Responsibility (CSR) and philanthropic fields.</p>  | <p>MCB Consulting Services Ltd provides companies with sustainable solutions to help them attain their innovation and business development goals. MCB Institute of Finance Ltd provides students and professionals with the financial know-how via carefully selected courses in partnership with high-calibre educational institutions. Fincorp Investment Ltd is an investment company listed on the local stock exchange. MCB Forward Foundation is the Group's CSR arm to promote social well-being, empower people and reduce inequalities.</p> |

MCB GROUP'S OPERATING INCOME\* ACROSS ITS THREE CLUSTERS WAS RS 23.8 BILLION (2021: RS 22.4 BILLION).



\* Figures shown are after elimination of intercompany transactions.  
Note: Figures are as at 30 June 2022.

 Read more about MCB Group in our 2022 Annual Report



DID-IT  
Meet the artist



## MESSAGES FROM OUR EXECUTIVES



### A SHORT MESSAGE FROM OUR GROUP CHIEF EXECUTIVE, PIERRE GUY NOËL

I AM PROUD OF WHAT MCB GROUP HAS ACHIEVED IN RECENT YEARS, DESPITE THE CHALLENGES WE HAVE FACED.

For more than 180 years, MCB has strived to provide unwavering support to its customers and promote the development of Mauritius and the region. This commitment has remained resolute despite experiencing difficult circumstances amid unforeseen events, such as the pandemic. Throughout, MCB Group maintained its momentum and continued to find ways to meaningfully contribute to the economic, social and environmental landscapes of Mauritius and the countries we operate in.

Presently, climate change represents a significant challenge for every individual and business around the world. The consequences are particularly pronounced for small island developing states like ours; despite being responsible for an insignificant proportion of global greenhouse gas emissions, we are bound to face the same catastrophic impact of this global climate transformation.

The solution to this challenging issue will require collective thinking and co-creation of innovative and inclusive business models that integrate mitigation and adaptation measures. This approach is deemed essential to help Mauritius and the region transition towards a low-carbon economy where no one is left behind.

In this respect, public-private partnerships will be key to unlocking opportunities for climate resilience. At MCB, we reaffirm the strong commitments we have made to contribute towards building a more sustainable economy. As one of Mauritius' leading private institutions, we seek to rally our diverse stakeholders around this common goal and encourage collaboration that will safeguard the country's future. We are committed to supporting sustainable innovation and responsible entrepreneurship that will ignite the nation's transition journey.

What is deeply encouraging is the willingness of our employees to advance our sustainability agenda, as well as the level of engagement we have seen from other stakeholders such as partners, suppliers and customers. Without this collaboration, we could not have achieved what we set out to accomplish.

We hope to enjoy the same support as we move ahead with our sustainability agenda within an increasingly challenging operating environment exacerbated by geopolitical tensions and energy and food insecurity, to name a few.

To conclude, I would like to reemphasise our shared responsibility and accountability to ensure a smooth and efficient climate transition. At MCB Group, we remain focused on aligning our individual and collective efforts to effectively face ongoing and forthcoming challenges toward building a prosperous planet for future generations. I have no doubt that together we will succeed in building a more sustainable and inclusive economy that will be more respectful of our ecosystems.

*Pierre Guy Noël*  
Group Chief Executive  
MCB Group Ltd





IN CONVERSATION WITH OUR GROUP  
CHIEF EXECUTIVE DESIGNATE,  
JEAN MICHEL NG TSEUNG

**Describe the world that MCB Group operated in over the past financial year – what were some of the challenges and positives?**

The past year has been an eventful one. Fuelled by the conflict in Ukraine, global geopolitical tensions are undermining much needed economic recovery and introducing new levels of uncertainty and risk into public policy and decision-making. Rising inflation and increasing food and energy costs are putting enormous pressure on governments, businesses and households around the world.

These challenges are exacerbated by a worsening climate crisis, which requires an urgent and coordinated response by a wide network of stakeholders. Developing a comprehensive ESG strategy has therefore emerged worldwide as a prerequisite to retain one's license to operate within the financial sector, and the financial and reputational cost of not addressing ESG issues openly and transparently is growing.

Locally, we are encouraged by the upturn in tourism following the opening of the country's borders in October 2021 and the general pickup in economic activity. While we are not immun to the challenges beyond our frontiers, these green shoots are immensely positive in the face of challenging and unpredictable times.

**Against this backdrop, what stood out for you as non-financial highlights or disappointments?**

MCB Group's success is measured by how well we accompany our entrepreneurs and individuals to new heights, grow our people and develop their talents, and promote and deploy sustainable finance for the good of our planet. By this measurement, I believe MCB Group delivered a strong performance

We supported our clients by providing relevant products and services that are responsive to their needs and helped address their cashflow challenges. This includes refining products that aim to promote local economic development, such as our online business-to-business platform Punch. The Bank signed up as the lead investor in the Katapult Mauritius Accelerator, an impact accelerator programme for local and international start-ups focusing on regenerative food and agritech solutions for Africa.

Within MCB Group, we launched Allies for Change workshops. These workshops build on the commitments outlined in our Gender Equality Charter established last year. They aim to strengthen leadership's ability to advance gender equality and women's empowerment within the organisation.

We also initiated actions to help us embed sustainability firmly within our organisation. This includes progressing on our roadmap to develop a sustainable finance framework and soliciting the support of the World Bank's former Executive for Sustainable Development to advise on our ESG journey. We also kickstarted a culture alignment project that we branded Successful Together. This project will create even greater alignment between our corporate sustainability engagement and the mindset and behaviours of our employees.

While we have made great progress in many aspects of our sustainability strategy, we recognise that there is always room for improvement. For example, the deployment of the Rs 5 billion credit line was delayed due to the ongoing impacts of the COVID-19 pandemic. We therefore saw slower progress than we would have liked in the financing of local renewable energy projects.

We continued our partnership with Livelihoods Carbon Fund 3, an impact investment fund focused on financing large-scale projects with positive social and economic impacts for rural communities. Investments targeted in the year include restoring and conserving high biodiversity ecosystems as well as regenerative agriculture and agroforestry to foster low-carbon, sustainable farming practices. MCB Madagascar collaborated with the Adventist Development and Relief Agency (ADRA), a global humanitarian organisation. Together, MCB Madagascar and ADRA supported 600 vulnerable households in Fokontany by providing resources to promote food security.

These projects and investments come at an opportune time when food security continues to deteriorate and is a worldwide concern. Despite these challenges, I am extremely proud of what MCB Group was able to achieve in a difficult year and how quickly the Group recalibrated and restored momentum in the wake of the pandemic.

### **What do you believe the Group's most significant ESG risks and opportunities are, and do you believe that MCB Group has a mature framework to identify and respond?**

MCB Group's most significant risk also represents its best opportunity. As mentioned earlier, the cost of not addressing ESG issues timeously will be significant in the long term and remaining still is not an option. ESG has moved firmly from something in the peripheries to centre stage for the public and private sectors as well as for our stakeholders. At MCB Group, ESG is therefore recognised as integral to our business model. We see it both as a critical component of risk management as well as a major growth engine and believe we have the appropriate responses to capitalise on opportunities while mitigating risks.

In recent years we have invested significant resources into each pillar of 'Success Beyond Numbers'. Our actions are underpinned by a commitment to act responsibly. For example, we continue to mature our Environmental and Social Risk Management Framework in relation to all project financing and carry out due diligence where projects are flagged as high risk. We are improving in terms of how we manage climate-related risk. This includes developing a more comprehensive view of the impact of climate change on our operations by gaining a better understanding of matters such as stranded assets and Scope 3 emissions through our financing activities. This is supported by a review of our governance structures for climate-related risk management. We believe that every employee, including leadership, should understand the impact of climate change and are deploying a user-friendly, interactive workshop called Climate Fresk to create awareness across our operations.

These actions support our efforts to better understand our impact on the world around us and the role we can play in safeguarding the resources on which we and our stakeholders rely.



## MESSAGES FROM OUR EXECUTIVES

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### Provide your thoughts on what you believe lies ahead for the Group in the upcoming financial year, and what are your priorities?

Wherever we operate, we remain guided by the belief that our success depends on the success of our stakeholders. We will therefore use our expertise and resources to make a positive difference to economies, people, communities and the environment.

The year ahead is likely to be challenging as we continue to navigate the impacts of the conflict in Ukraine. Locally, this includes high import and transportation costs. While this is troubling, it does present opportunities to shift resources towards longer-term solutions that support local economic activity and reduce import dependency. I believe that MCB Group can play a leading role in the country's economic and sustainable development transition and facilitate similar shifts in the region and our presence countries.

Another priority for the year includes deploying the Rs 5 billion credit line. As we move into the next financial year, our teams are gearing up to engage with clients on how we can support them with financing green energy and positive environmental impact projects. This is in line with the objectives that the Mauritian government set for the country's energy sector. We welcome opportunities to develop this dialogue between the private and public sectors and accelerate the financing and implementation of relevant projects.

We are establishing an ESG financing task force to review our operations so that we can better understand our ESG financing position and propose a future trajectory for MCB Group. Developing a clearly articulated way forward will be essential to our overall ESG strategy and we must ensure that the Board and employees clearly understand and embed ESG considerations in our process and product offerings.

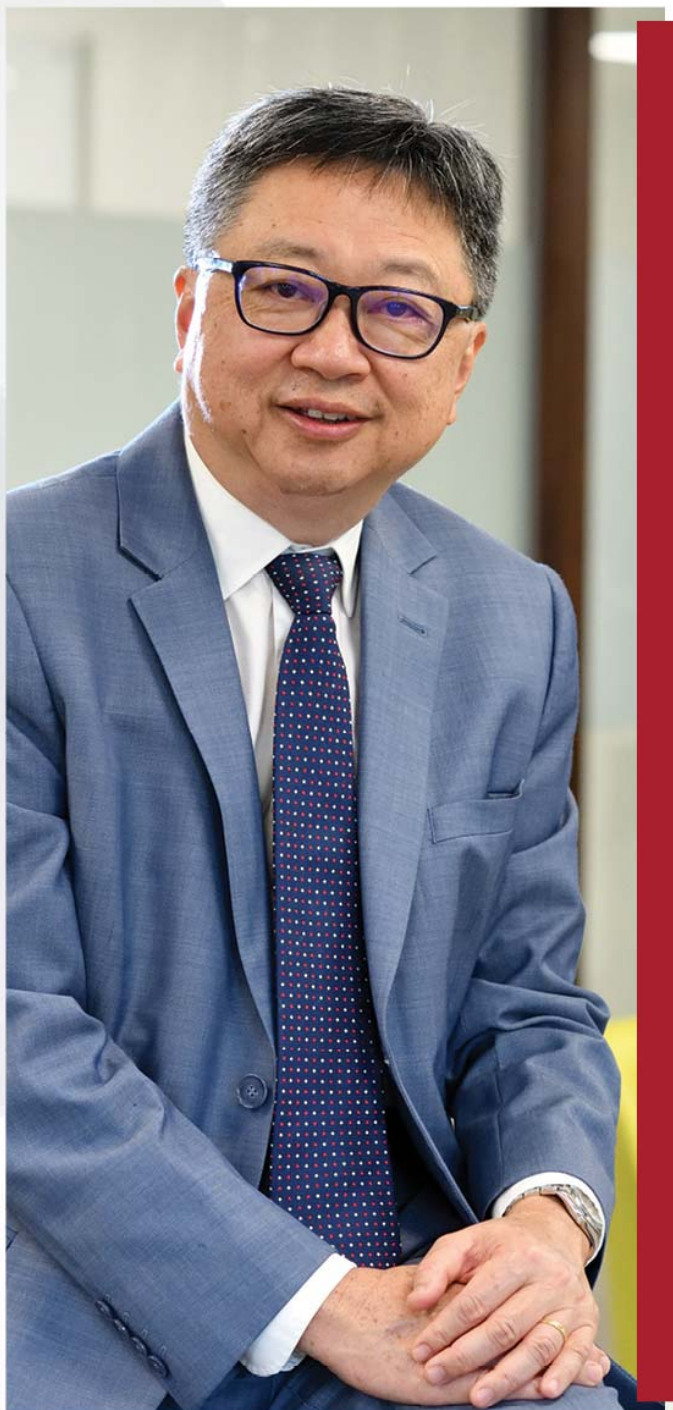
Finally, there is a need to invest in ESG-focused employee training and development. The training programme will need to include, among others, a general introduction to environmental and social sustainability, targeted in-house training programmes on specific issues relevant to the financial sector, and externally facilitated courses on the matters of compliance, policy and sustainable financing.

### Any closing remarks?

Past efforts have given us a strong base from which to move forward – but we are not satisfied yet. Each year brings an opportunity to identify business-led solutions that are responsive to the needs of markets, communities and consumers, locally and regionally.

I would like to take this opportunity to thank the Board of Directors and the members of our Corporate Sustainability Committee for their support and guidance throughout the year and for encouraging leadership in relation to MCB Group's agenda. Thank you to the Head of Communication and Corporate Sustainability and her team, to the sponsors of our different sustainability-related projects, and to each and every employee who contributed in their own way to ensuring that MCB Group lives its purpose to the fullest and delivers Success Beyond Numbers.

*Jean Michel Ng Tseung*  
Chief Executive Designate  
MCB Group Ltd



## IN CONVERSATION WITH MCB LTD'S CHIEF EXECUTIVE OFFICER, ALAIN LAW MIN

### Why is it important that MCB help address Mauritius' key environmental and social challenges, particularly to support the local economy?

As a small island state, Mauritius is vulnerable to extreme climate events: the World Risk Report 2022 by Bündnis Entwicklung Hilft ranked Mauritius 107<sup>th</sup> on its list of 192 countries with the highest exposure to disaster risk. Across the globe, we have witnessed an increase in extreme weather conditions such as fires, droughts, cyclones and floods. Locally, we have also seen the impact of floods and coastal erosion on our communities and economy. The country is further challenged by the fact that Mauritius does not have an abundance of natural resources and is a net importer of goods and services. With the disruption in supply chains during the pandemic, it became apparent that our development is dependent upon supporting local production that will help to stimulate economic growth. As such, we need to invest in social and environmental resilience if we wish to prosper. We believe that doing good for our communities is ultimately good for business.

MCB has been in existence for more than 180 years. Throughout its history, we supported the transition and development of the economy. We played an active role in the diversification of Mauritius from a monocrop economy to new sectors such as textile manufacturing, tourism, financial services and Information and Communications Technology. We are now taking a leading role, together with other stakeholders, in driving sustainable finance solutions and ensuring an appropriate and agile response to climate risk, which will ensure the sustainability of Mauritius, its economy and its society.



**What are you most proud of in terms of what MCB contributed to local economic development during the year and where do you believe there is opportunity to do more?**

The past financial year has been a turning point for Mauritius after two difficult years following the onset of the pandemic.

COVID-19 created significant volatility and uncertainty. In particular, the extensive socioeconomic impact of the pandemic highlighted the urgent need for businesses to re-align their growth ambitions with the social, economic and environmental needs of customers, communities and other stakeholders to remain competitive and relevant. In this regard, I am particularly proud of how MCB weathered the storm and continued operating and serving customers for the benefit of the broader economy while caring for the well-being of our employees. This included assisting with digital payment solutions that enabled people to stay connected to critical services like the delivery of food and household items or simply providing uninterrupted essential banking services.

Prior to the onset of the pandemic, we launched several conferences focused on local economic development and tackling climate change. The learnings from these discussions were particularly relevant during COVID-19 when we were looking for opportunities to increase the resilience of the local economy.

Some key initiatives include, among others:

- Maintaining Mauritius' local productive capacity, with a particular focus on supporting the tourism and hospitality industry – most notably in terms of credit relief and working capital facilities to help our clients cope with a sudden drop in turnover
- Creating local economic hubs, underpinned by our online business-to-business platform Punch. We are enhancing this offering by creating stronger networks of collaboration for entrepreneurs. This includes bringing together consumers, entrepreneurs, suppliers and logistics providers, among others, to make it easier for entrepreneurs to tap into economic networks across the country
- Investing in venture capital that promotes infrastructure to improve agricultural production. It is worth highlighting the partnership of MCB Group with Katapult as the lead investor in its impact accelerator programme, Katapult Mauritius Accelerator

Looking forward, we will continue to find ways to accelerate local employment and job creation by looking for opportunities to collaborate and leverage our skills and expertise for the good of local communities.

**Reflect on MCB's climate journey and the importance of financing Mauritius' climate transition – why is this so important to MCB and what stands out for you as MCB's key contributions to accelerate climate action locally?**

At MCB, we have been on our climate journey for many years but significantly ramped up our efforts in recent years in line with our sustainability engagement, 'Success Beyond Numbers'. Our vision is to work with all stakeholders towards a carbon-neutral Mauritius.

Achieving this ambition is critical if we wish to reduce and adapt to the potentially devastating impact of climate change, which is threatening the lives and livelihoods of local communities and people around the world. Recent milestones include developing green credit schemes, investing in and facilitating credible carbon offsetting programmes and stopping all new coal financing. We are also taking steps to minimise the environmental impact of our internal operations by managing our direct greenhouse gas emissions, water and paper usage and waste generation. Our approach is governed by the financial industry benchmarks, which help us integrate ESG factors into our financial portfolio.

While we have made promising progress, our journey is only beginning. Collaboration between the public and private sectors and relevant regulatory and legislative bodies will be critical if we want to achieve any significant positive impact.

As one of Mauritius' largest corporate players, I believe we have a responsibility to leverage our scale and mobilise this collaboration to help our country build back better. There is no better way than to support the country's ambition to achieve 60% of renewable energy in our electricity production by 2030. This means not only playing our part by providing funding for renewable energy products and developing green products and services but also creating awareness on the importance of financing Mauritius' climate transition. On this note, we are excited about the Rs 5 billion credit line that we are deploying to finance green energy projects.

Challenges, such as limited local expertise in climate-related risk analysis and poor availability of climate and environmental data, must be addressed through investment and capacity building. There is also an opportunity for the banking sector to come together under a sector-wide initiative to share our experiences and learn from one another.

While the road ahead may not be easy, it is one of the most important we will travel. We look forward to finding opportunities to work together to finance a resilient future.

### MCB is on a journey to bridge the gender gap – what progress was made on this journey in the past financial year?

In 2019, we made a commitment to reach 40% of women in the middle and senior management positions by 2026. This is a bold ambition. At MCB, we firmly believe that integrating more women into management positions will not only enable us to leverage the full potential of our employees and improve performance but also promote the participation of women in the broader economy.

A focus area for the past year was ensuring that we create the right tone at the top. We launched Allies for Change workshops, in collaboration with Curtin University and the Australian Embassy in Mauritius. These workshops aimed to help our leadership team become aware of unconscious bias towards women and provide them with the ability to identify constraints and enablers for women's empowerment within the organisation. In addition, we also focused on preparing the pool of future women leaders by offering training, launching a Women in Leadership Programme and initiating 'Lean in Circles' for MCB Women Leaders.

A key enabler to help women move up the managerial ladder is to provide the necessary support for our employees and to strike a satisfactory balance between work and personal life. To support this balance, we doubled paternity leave from five to ten days and extended the leave to unmarried fathers. This reflects our belief that fathers also have an important role to play in family life and we need to ensure that we create opportunities for them to assist with childcare. Flexible working arrangements remain available to our employees, and we believe this will remain key to bridging the gender gap.

You can read more about the initiatives in this report. I believe good progress has been made during the past year and much more remains to be achieved.

### Any closing remarks?

Guided by 'Success Beyond Numbers', we have laid a solid foundation to achieve our ESG goals and we remain resolute and focused on what we need to deliver in the new financial year. This will be supported by refined operational and governance structures that will support a growing awareness and robust oversight of sustainability topics across the organisation. To this end, I believe there is opportunity to move towards even deeper integration of sustainability into our corporate culture. This will be achieved through dedicated training, employee engagement and culture programmes, product development, and more.

Our employees have demonstrated their willingness to join us on this journey and I thank every employee who has adopted 'Success Beyond Numbers' in their daily lives. I would also like to thank the Board of Directors and the Board Committees, who have supported and guided our sustainability journey.

MCB showed resolve in the face of crisis, and I do not doubt that we are well placed to excel in the year ahead. We will continue to leverage our entrepreneurial spirit as we look for ways to do things differently and take a leading role in creating prosperity and resilience for our stakeholders.

*Alain Law Min*  
Chief Executive Officer  
MCB Ltd



# OUR APPROACH TO SUSTAINABILITY

## OUR SUSTAINABILITY APPROACH AND MATERIAL MATTERS

Our sustainability approach is founded on the material environmental, social and governance issues facing the Group and Mauritius, and is underpinned by international principles, standards, and frameworks we have adopted over the years.

The following guides our sustainability approach:

### UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)



The SDGs reflect an ambitious international agreement to eradicate poverty and inequality, protect health and prevent climate change by 2030 through 17 specific outcomes that are universally recognised. We have identified 11 priority SDGs that are relevant to our operations and local operating context and aligned with the three pillars of our sustainability vision.

We reference our priority SDGs throughout this report.

### UNITED NATIONS GLOBAL COMPACT (UNGC)



We became a participant to the UNGC in 2008. The UNGC is a pact that encourages businesses and firms worldwide to adopt sustainable and socially responsible policies. We are committed to complying with the Ten Principles of the UNGC.

Read more about our compliance with these principles on pages 94-95

### THE EQUATOR PRINCIPLES



The Bank adopted the Equator Principles in 2012. The Equator Principles serve as a common baseline and risk management framework for financial institutions to identify, assess and manage environmental and social risks when financing projects. By applying the Equator Principles to specific loans and project finance, the Bank has strengthened its ability to proactively identify and mitigate environmental and social risks.

Read more about our approach to environmental and social risk management on page 32.

### UNITED NATIONS ENVIRONMENT PROGRAMME FINANCE INITIATIVE (UNEP FI) PRINCIPLES FOR RESPONSIBLE BANKING (PRB)



MCB Ltd became a signatory to the UNEP FI PRB in 2019. These principles provide a framework to ensure that our strategy and business practices align with the visions set out by the SDGs and the Paris Climate Agreement. We conducted a detailed impact analysis to identify the significant positive and negative impacts of our Mauritius-based financing activities on people, planet and prosperity. This includes analysing financial data related to Retail Banking, Business Banking, and Corporate and Institutional Banking, and incorporating Mauritius' environmental and social indicators. Looking forward, we will use the outcomes of this analysis to set targets that will enable us to effectively monitor and manage these impacts by developing sustainable financial solutions for our clients.

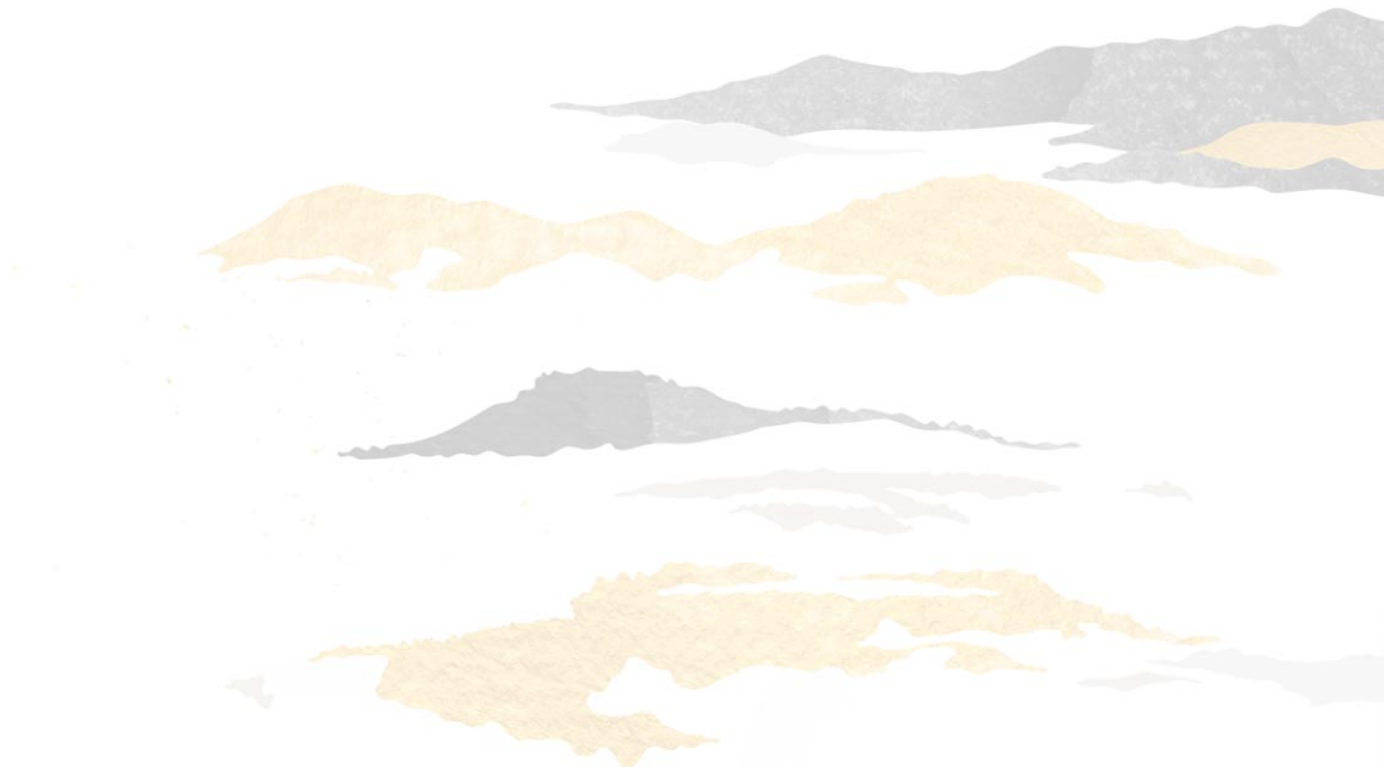
Our reporting and self-assessment against the UNEP FI PRB is available on pages 96-107

We identified our material sustainability topics based on the outcomes of two key analyses:

- Gapframe, which is based on the SDGs
- Datamaran\* Artificial Intelligence-powered analysis, which highlights the most salient regional and sectoral sustainability issues tackled by MCB's peers in their 2018 sustainability reporting

This year, we undertook a high-level, independent review of our material sustainability topics. The purpose of this review was to identify any new topics that may be necessary to consider as part of our sustainability disclosure as well as to assess our current disclosure to identify any improvements or refinements.

As an outcome of this process, we confirmed that our material sustainability topics remain relevant. However, we realigned these topics under the three pillars of our sustainability vision to ensure we provide more coherent disclosure. We further strengthened the disclosures for 'Responsible behaviour', which underpins our sustainability engagement. It is important to note that for each material sustainability topic, the Group has direct and indirect socioeconomic and environmental impacts. Direct impacts result from daily internal operations. Indirect impacts are caused by our products and financing activities and are generally more significant.



\*Datamaran is a software solution for non-financial risk management. The software tracks 100 non-financial topics by sifting and analysing millions of data points from publicly available sources, including corporate reports (financial and sustainability reports and Securities and Exchange Commission filings), mandatory regulations and voluntary initiatives, as well as news and social media.



## OUR SUSTAINABILITY STRATEGY

'Success Beyond Numbers', our sustainability engagement, articulates our commitment to be a responsible organisation and contribute to the economic development of the countries in which we operate.

### SUCCESS BEYOND NUMBERS

#### VIBRANT AND SUSTAINABLE LOCAL AND REGIONAL ECONOMIES

- Responsible finance that supports economic development
- Promoting financial literacy
- Serving our customers
- Promoting local procurement



#### Key progress made during the year:

- Our dynamic Punch platform has reached a network of more than 1,500 entrepreneurs and 120 specialists and six institutional investors since its launch in 2021
- MCB invested in the Katapult Mauritius Accelerator to help local and international start-ups focusing on regenerative food and agritech solutions for Africa
- We launched our first digital and fully-automated express overdraft for an amount of up to Rs 1 million for SMEs and MMEs
- We ran awareness campaigns on digital banking fraud detection and prevention in all retail branches
- We reviewed our unsecured loan offering for lower-income retail customers
- We continued to improve customers' experiences by monitoring the Net Promoter Score and Customer Satisfaction Score

#### OUR ENVIRONMENTAL AND CULTURAL HERITAGE

- Responsible finance that supports environmental sustainability
- Managing our direct environmental impacts
- Biodiversity conservation
- Culture



#### Key progress made during the year:

- We have put in place a process to deploy the Rs 5 billion credit facility for financing green energy
- A roadmap for integrating climate-related and environmental financial risks into the Bank was submitted to the Bank of Mauritius
- We conducted several Climate Fresk workshops with our colleagues
- We continued our efforts to reduce our operational footprint
- To promote the work of local artists, we included a few artworks as part of the design concept for this year's Annual and Sustainability Reports

## INDIVIDUAL AND COLLECTIVE WELL-BEING

- Employee engagement
- Talent management
- Well-being at work
- Employee health and safety
- Workforce diversity and inclusion
- Community support



### Key progress made during the year:

- As part of our gender equality commitment, we launched the 'Women in Leadership' programme to provide MCB women with the skills and competencies to fulfil managerial roles and also launched the first 'Lean In Circles' for women leaders
- Paternity and maternity leave was reviewed and we broadened the scope of paternity leave to include unmarried fathers as well
- We continued to provide training and implement initiatives to support key areas of people development

## RESPONSIBLE BEHAVIOUR

- Environmental and social risk management
- Business ethics
- Prevention of bribery, corruption, fraud and money laundering
- Customer privacy and information security
- Whistleblowing
- Tax responsibility
- Protecting human rights
- Fair and responsible remuneration



### Key progress made during the year:

- We reviewed and published our Environmental and Social Risk (ESR) Policy, and redefined our financial threshold at USD 5 million for applying the ESR management process as per the Equator Principles
- With the guidance of a recognised financial institution, we held internal working sessions to start developing a sustainable finance framework
- We raised awareness about the importance of preserving confidential information relating to clients, stakeholders and business operations



### OUR GOVERNANCE APPROACH TO SUSTAINABILITY

Our corporate governance approach ensures that we operate in the best interests of our stakeholders, while embedding sustainability principles throughout the Group.

#### BOARD OF DIRECTORS

The Board provides effective leadership in formulating and delivering the Group's strategy within a robust risk management framework and sound internal controls. The Board ensures that the Company and its subsidiaries adhere to relevant legislation, policies and norms, including ESG and sustainability principles. Five committees support the Board. Each committee is mandated to provide counsel, recommendations and specific expert guidance on matters affecting the Group's activities:

- Risk Monitoring Committee
- Audit Committee
- Remuneration, Corporate Governance, Ethics and Sustainability Committee
- Strategy Committee
- Supervisory and Monitoring Committee



Information about the Board's composition, including its mix of skills and experience, is available in our Annual Report

#### REMUNERATION, CORPORATE GOVERNANCE, ETHICS AND SUSTAINABILITY COMMITTEE (RCGESC)

The RCGESC assists the Board with respect to all remuneration aspects, corporate governance matters and nomination of directors and senior executives of MCB Group Ltd and all its subsidiaries. Moreover, it oversees succession planning exercise for Group senior executives as well as key management positions and annually reviews the list of high potential managers within the Group. Through its sub-committee, the Corporate Sustainability Committee (which includes directors from MCB Ltd), the RCGESC monitors the implementation of the Group's corporate sustainability agenda. This includes:

- Reviewing projects related to our sustainability engagement, taking into account the required capital investment and possible business, operational, strategic or reputational risks, and recommending projects to the Board for approval
- Providing ongoing oversight of the overall effectiveness of the sustainability agenda, reviewing any proposed changes, and proposing these changes to the Board for approval
- Reporting on the Group's sustainability performance and making recommendations to the Board



The RCGESC's charter is available on the MCB Group's website

### CORPORATE SUSTAINABILITY COMMITTEE (CSC)

The CSC is a sub-committee that assists the RCGESC in discharging its duty to monitor the progress of our sustainability engagement. It assesses all aspects relating to sustainable development and ensures that relevant strategies are appropriately implemented. The CSC meets quarterly.

#### *Key topics discussed during the year:*

- Recap of sustainability strategy
- Approving the Environmental and Social (ESR) Policy and acknowledging the ESR Policy gap analysis
- Update on the sustainable finance assignment
- Climate risk integration
- ADRA project undertaken in Madagascar
- Sustainability priorities for the financial year 2023

### SUSTAINABILITY STRATEGIC COUNCIL (SSC)

The SSC ensures that proposed initiatives are aligned with the objectives of our sustainability agenda and approves the budget for their implementation. The SSC is composed of Chief Executives (Bank and Group), Heads of Strategic business units and the sustainability team. The SSC met twice during the year.

#### *Key topics discussed during the year:*

- Progress on the Group's gender equality initiatives, including review of maternity and paternity leave
- Monitoring the Bank's direct operational footprint
- Feasibility of developing an impact fund by our Business Banking line

### SUSTAINABILITY TEAM

Our sustainability team has a cross-functional role across the Group. It provides advice and guidance on sustainability matters and participates in implementing our sustainability agenda. The Sustainability Team is increasingly engaging with the Group's subsidiaries on their social, environmental and economic initiatives and provides guidance and support as necessary. The team is composed of six members.

### SUSTAINABILITY COORDINATING TEAM (SCT)

The SCT is composed of various Heads of business units and the sustainability team. The SCT meets monthly to discuss sustainability ideas and potential solutions to blocking issues as well as to share progress on ongoing projects. The SCT validates projects that need to be presented to the SSC.



## MOVING FORWARD ON OUR SUSTAINABILITY JOURNEY

We have made significant progress on our sustainability journey.

**2008**

MCB became a participant to the UNGC's Ten Principles

**2014**

Signed our second credit line of EUR 60 million with AFD (SUNREF)

**2009**

Launched Initiative 175 aimed at fostering environmentally-friendly practices

Partnered with the Agence Française de Développement (AFD) to finance development projects under its green finance label SUNREF (Sustainable Use of Natural Resources and Energy Finance) and signed our first credit line of EUR 40 million

**2010**

Launched the MCB Forward Foundation to manage our corporate social responsibility activities

**2012**

Adopted the Equator Principles

**2016**

Launched MCB Microfinance to promote financial inclusion and empower micro-entrepreneurs

**2017**

Signed our third credit line of EUR 75 million with AFD (SUNREF)

**2018**

Launched 'Success Beyond Numbers', our sustainability engagement

**2019**

Adopted the GRI Sustainability Reporting Standards

Launched our 'Lokal is Beautiful' initiative, which aims to create opportunities for local entrepreneurs to access finance and explore avenues to build a prosperous and resilient Mauritius

Partnered with the Mauritian Wildlife Foundation (MWF)

Became a signatory to the UNEP FI PRB

Identified 11 priority SDGs in support of the 2030 Sustainable Development Agenda

**2020**

Signed the Gender Diversity Charter of the Africa CEO Forum – Women working for change

Published our 'Klima Neutral 2050' study, which analyses Mauritius' climate challenges and identifies ways to achieve carbon neutrality at national level

Became a founding member of the UNGC Network Mauritius  
Commissioned 'Lokal Rebound', a study to identify Mauritius-based products and sectors with the most potential to jumpstart the island's economy

Launched Green Lease, a financing product for individuals and businesses willing to adopt sustainable solutions

**2022**

The Bank started the implementation of the Guideline on climate-related and environmental financial risk management published by the Bank of Mauritius for financial institutions

**2021**

MCB Madagascar signed its first credit line of EUR 6 million with AFD (SUNREF)

Launched our online platform Punch to connect entrepreneurs with companies or professional service providers to help them grow their business

Launched a GreenDrive loan scheme to encourage employees to choose electric or hybrid vehicles

Invested in Livelihoods Carbon Fund 3, an impact investment fund focused on financing large-scale projects with positive social and economic impacts for rural communities

Established MCB Group's Gender Equality Charter to promote gender equality

Joined the UNGC Climate Ambition Accelerator programme to gain insight into how to set science-based emission reduction targets in line with the Paris Climate Agreement



## STAKEHOLDER ENGAGEMENT

We believe that MCB Group's growth and success relies on our ability to understand our different stakeholders' requirements, expectations and challenges. We engage with our key stakeholders through various channels to understand and respond to their needs.

Alignment with SDGs, UNGC, UNEP FI PRB



Principles 3, 4

Our proactive stakeholder engagement model informs and guides our actions and behaviours. A well-established governance and operational framework ensures that stakeholder engagement is managed transparently and in line with international practices and regulation. We keep stakeholders informed about the Group's business and strategy through various channels. We gather their views through ongoing dialogues, meetings and surveys and consider their concerns in our decision-making. Material issues are escalated to the Board.

## OUR KEY STAKEHOLDERS

### Shareholders and Investors

|   |   |   |   |   |   |
|---|---|---|---|---|---|
| ~ 22,300                                  | Rs 74 billion   | Rs 13.90                                | ~ 3,900   | Baa3  | Member of MSCI Frontier Markets 100 Index (USD) |
| Ordinary shareholders<br>(2021: ~ 22,000) | Market capitalisation on Stock Exchange of Mauritius<br>(2021: Rs 65.4 billion) | Dividend per share<br>(2021: Rs 16.75)* | Preference shareholders and bondholder<br>(2021: ~ 3,800) | Moody's Investors Service long-term bank deposit rating for MCB Ltd<br>(2021: Baa3) |   |

\* Dividends declared for FY 2021/22 are not strictly comparable with those of FY 2020/21 and FY 2019/20. No dividend payment was made in respect of 2020 amid the uncertain context and the 2021 dividend was based on the results of both years, albeit at a reduced payout rate

### Customers

|  |   |   |   |  |   |
|--|---|---|---|--|---|
| ~ 1,145,000                                  | Net Promoter Score (NPS) and Customer Satisfaction (CS)**     |   | Rs 519 billion                              | Rs 340 billion                           | ~ 50  |
| Overall customer base<br>(2021: ~ 1,106,700) | Retail Banking<br>NPS: 29.3   CS: 80.6                        | Business Banking<br>NPS: 9.7   CS: 73.7 | Customer deposits<br>(2021: Rs 486 billion) | Customer loans<br>(2021: Rs 288 billion) | Financial institutions serviced as part of our Bank of Banks initiative<br>(2021: 80) |
|  | Private Banking and Wealth Management<br>NPS: 15.9   CS: 77.0 |   |   |  |   |

\*\* Figures relate to MCB Ltd  
Note: Figures are as at 30 June 2022

Authorities and Economic Agents

|   |  |   |   |
|---|--|---|---|
| <b>28.3%</b>  | <b>38.5%</b>   | <b>Rs 2,343 million</b>                     | <b>4,312</b>  |
| <b>Domestic loans as a share of GDP</b><br>(2021: 32.3%*) | <b>Share of domestic credit to corporates in Seychelles</b><br>(2021: 35.6%) | <b>Tax paid</b><br>(2021: Rs 2,402 million) | <b>Reports sent to the Bank of Mauritius during FY 2021/22 for MCB Ltd</b><br>(2021: 4,180) |

\* Figure has been amended due to a revision in GDP figures by Statistics Mauritius


Societies and Communities

|   |  |   |   |
|---|--|---|---|
| <b>5%</b>   | <b>Rs 3,695 million</b>                                | <b>Rs 63.5 million</b>  | <b>3,306</b>  |
| <b>Electricity sourced from in-house solar system</b><br>(2021: 5%)** | <b>Procurement spend</b><br>(2021: Rs 3,668 million)** | <b>Spent by MCB Forward Foundation for environmental and social community projects</b><br>(2021: Rs 38.5 million) | <b>Tonnes CO<sub>2</sub>-eq carbon emissions offset from 2020 MCB's operations to contribute to carbon neutrality</b><br>(17,345 tonnes CO <sub>2</sub> -eq offset in 2019)** |

Employees

|   |   |   |  |  |   |
|---|---|---|--|--|---|
| <b>29%</b>  | <b>95%</b>                                    | <b>11%</b>                              | <b>52%</b>   | <b>Rs 5.0 billion</b>  | <b>48 million</b>   |
| <b>Women in middle and senior management</b><br>(2021: 30%)** | <b>Employee retention rate</b><br>(2021: 96%) | <b>Employee hire rate</b><br>(2021: 9%) | <b>Percentage of female employees</b><br>(2021: 51%) | <b>Salaries and benefits paid to employees</b><br>(2021: Rs 4.6 billion) | <b>Investment in employee training and development</b><br>(2021: Rs 25.8 million) |

\*\* Figures relate to MCB Ltd  
Note: Figures are as at 30 June 2022

 More information about our key stakeholders is available in our Annual Report. This includes additional detail on our key stakeholders' needs as well as the actions we took during the year to deliver on their expectations



# RESPONSIBLE BEHAVIOUR

MCB Group views responsible behaviour as a fundamental condition to secure the trust of its stakeholders. We have built a strong ethical culture over the years by putting into place corporate policies and procedures and complying with rules and relevant regulations and codes of conduct. The Group's corporate values play a critical role in shaping the strategy and engaging employees to promote ethical business.

Alignment with SDGs, UNGC, UNEP FI PRB



Principle 10

Principle 3

## ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

We recognise our responsibility to set leading environmental and social standards and positively influence the sustainable development of the countries where we operate.

Through its financing activities, the Group generates indirect environmental and social risks and impacts. We seek to mitigate these risks by ensuring minimal impacts while allocating capital to sustainable projects and adopting responsible business practices that support broader societal goals.

To promote sustainable practices in our financing activities, MCB Ltd adopted the Equator Principles in 2012. The Equator Principles is a risk management framework adopted by financial institutions around the world and is used to determine, assess and manage environmental and social risk in project finance. The Equator Principles provide the foundation and guiding principles of MCB's Environmental and Social Risk (ESR) Policy. This policy articulates the commitment, objectives, responsibilities and governance processes through which we manage the environmental and social risks associated with our lending activities. Additionally, we encourage clients to address potential or actual adverse risks and impacts during the project development lifecycle and we closely monitor the progress of mitigating actions (if any).

In October 2021, we further aligned our ESR Policy with the Equator Principles. Key changes made to the policy include the following:

1. We **redefined financial thresholds for five financial products**, including project finance, project-related corporate loans, bridge loans, project-related refinance and acquisition finance, and corporate and government loans. Any financing activity less than USD 5 million will follow a simplified ESR management methodology if the Bank considers there are potential environmental and social risks. This includes a due diligence checklist to identify specific risks and developing a monitoring plan throughout the loan tenor.
2. We **published an exclusion list of projects we will not finance**, including, for example, activities involving forced or child labour, production, use of or trade in hazardous materials, drift net fishing in the marine environment, and infrastructure and trade in coal (thermal and metallurgical) and any new coal-fuelled power plants, among others.
3. We **strengthened governance oversight for decisions related to the Bank's exposure to environmental and social risks**, including defining the responsibilities of the various committees, individuals and teams involved in the ESR management process.

We provided ESR management training to 53 colleagues during the year. The training focused on raising awareness of the ESR Policy and the Equator Principles, as well as emphasising the roles and responsibilities of people involved in the this process.



[Our ESR Policy is available on our website](#)

PROJECTS FINANCED FROM JULY 2021 TO JUNE 2022 THAT REQUIRED AN ESR MANAGEMENT PROCESS:

| 18 Category A   | 7 Category B  | 10 Category C   |
|---|---|---|
| <b>Sector:</b><br>Oil & Gas, Power and Infrastructure,<br>Manufacturing | <b>Sector:</b><br>Property Development, Construction,<br>Renewable Energy, Private Equity | <b>Sector:</b><br>Telecommunication, Private Equity,<br>Hospitality, Manufacturing,<br>Power and Infrastructure |
| <b>Geography: Europe, Middle East and Africa</b>                        |   |   |

*Category A indicates projects with potentially significant adverse and irreversible environmental and social (E&S) impacts  
 Category B denotes projects with potentially limited adverse but largely reversible E&S impacts  
 Category C designates projects with minimal or no E&S impacts*

INTEGRATING SUSTAINABILITY INTO OUR PRODUCTS AND SERVICES

We are on a journey to create a more sustainable offering of financial products and services. We believe this will be an important driver of growth and will accelerate the transition towards a more inclusive, socially-responsible and climate-friendly economy.

Last year, we initiated a process to develop a roadmap for a sustainable finance framework.

In August 2021, we created a dedicated working group that was tasked with crafting a roadmap to establish the required framework. This working group consisted of key members from the Strategy, Research and Development, Sustainability, Risk as well as the Corporate and Institutional Banking business units.

We launched a request for a proposal in August 2021 to identify a competent organisation to assist us with creating a sustainable finance framework.

In December 2021, we appointed a leading global bank and investment services provider to join us on this journey and provide practical advice and guidance on key areas namely sustainable finance products, transition finance, climate risks, ESR management and governance.

We received a set of recommendations, which we are exploring as we develop our sustainable finance framework. These recommendations include:

- Reviewing our existing governance structures to include specific functions within MCB Ltd and our central sustainability office that would cut across all subsidiaries. These functions include, for example, a climate risk function, an ESR management function and an ESG function for business development.
- Mechanisms for identifying the Group's climate-related risks and opportunities and transitioning to low carbon products and services. This includes setting up a transition task force to advise on our ESG financing journey.

Looking ahead, our priorities are to:

- Review and finalise the governance structure
- Set up the transition task force
- Develop a roadmap to build our sustainable finance framework, including the establishment of a green taxonomy



### BUSINESS ETHICS

We believe that a strong ethical culture fosters a responsible organisation, builds greater trust and strengthens stakeholder relationships.

The Remuneration, Corporate Governance, Ethics and Sustainability (RCGES) Committee provides governance oversight of our approach to business ethics and helps to ensure we engage our employees to promote an ethical culture across the organisation. This is supported by our Code of Ethics, corporate policies and relevant laws and regulations, which provide robust internal controls.



*Our Code of Ethics is available on our website*

As key internal stakeholders, our employees play a vital role in maintaining the Group's reputation and contributing to its responsible governance. We foster employees' awareness regarding ethics and the associated policies through:

- induction training for new recruits;
- regular tailored sessions for middle, senior management and directors; and
- a comprehensive induction programme for new directors joining the Group.

The Head of Compliance Strategic Business Unit (SBU) relays information as and when required on key changes to our ethics awareness process, in addition to regularly announcing any changes to our compliance checklists, policies and procedures.

**In October 2021, the Group launched a training and awareness campaign on confidentiality and the importance of preserving confidential information pertaining to our clients, stakeholders and own business operations.**

2,980 employees attended the training, which was made available via the Group's online, e-learning platform. Employees who were unable to attend will have access to follow-up sessions in the year ahead.

- The Group made no political donations during the financial year
- The Group received no fines, settlements or penalties relating to ESG incidents or breaches during the financial year
- The Group received no compliance notices or warnings during the financial year and was not involved in any investigations

**The Group ensures compliance with the following policies and regulations:**

- Code of Ethics
- Whistleblowing Policy
- Information Security Policy
- Conflicts of Interest and Related Party Transaction Policy
- Anti-bribery and Corruption Policy
- Market Abuse Policy
- Group Chinese Walls Policy
- Mauritius Bankers Association's Code of Ethics and Banking Practice (2016)
- National Code of Corporate Governance for Mauritius (2016)
- Bank of Mauritius Guidelines
- Applicable local regulations
- Financial Services Commission Guidelines
- International reporting requirements, as applicable
- Basel principles

## PREVENTION OF BRIBERY, CORRUPTION, FRAUD AND MONEY LAUNDERING

We are committed to protecting the Group and our customers from attempts to gain financial or other benefits in an unlawful, dishonest or unethical manner.

Anti-bribery, corruption, fraud and money laundering strategies are integrated into our organisation and we ensure compliance with relevant legislation and government initiatives. Our Anti-bribery and Corruption Policy outlines what we expect from our employees regarding integrity-based business practices. This helps to ensure we avoid improper or illegal conduct and encourage ethical behaviour when providing financial services to our customers. No incidents of bribery or corruption were reported during the financial year.



Our Anti-bribery and Corruption Policy is available on our website

We regularly provide our clients with advice on fraud prevention via the Group's website, our mailing system and communication campaigns. We closely monitor any applications or requests associated with, or suspected of, fraudulent activity.

Our Anti-Money Laundering Policy outlines the process to identify, prevent and manage the risk of money laundering and terrorism financing when providing financial services or products to customers or when performing any other activities within the Group.

During the year, 363 employees from our Retail cluster attended four virtual training sessions on fraud awareness. We also launched a public fraud awareness campaign that was broadcast on radio and via various social media platforms. In the year ahead, training on anti-money laundering, corruption and fraud will be provided to all employees across the Group.

## CUSTOMER PRIVACY AND INFORMATION SECURITY

We are responsible for ensuring the privacy and security of our customers' and employees' personal and financial data.

In addition to complying with the national Data Protection Act 2017 and the European Union General Data Protection Regulation, we have an internal policy on Handling of Confidential Information. Our Information Security Policy, which includes the terms and conditions governing personal data and processing, is publicly available on our website and informs our diverse stakeholders about the importance of safeguarding data.

The Group places significant emphasis on the confidentiality, integrity and availability of information. It ensures that a robust framework is maintained to uphold the security and performance of information and Information Technology systems. The Board is responsible for setting up and regularly reviewing relevant policies and for ensuring that they are appropriately implemented through adequate structures and processes.

To enhance data privacy and security, we implemented several projects during the year under the guidance of the Bank's Cyber and Information Security Business Unit. These projects were underpinned by various initiatives to improve our cybersecurity resilience. Our employees also received training on various subjects related to privacy, information risk and security.



More information is available in the MCB Group Annual Report



## WHISTLEBLOWING

We are committed to conducting our activities by abiding to the highest professional and ethical standards and in accordance with applicable laws and regulations.

Our Whistleblowing Policy provides a framework that enables our employees and stakeholders to report matters of concern, including potential breaches of laws, rules, regulations or compliance, without the risk of victimisation and discrimination. This policy is supported by a whistleblowing hotline, which is managed by the Compliance SBU to combat this kind of conduct. The hotline is a confidential 24/7 whistleblowing service that operates 365 days a year. We ensure and continue to strengthen protection for whistleblowers so that there is no adverse consequences for any employee who reports a concern in good faith. All incidents and complaints are investigated by an independent panel and reported to the Audit Committee for remedial action, if required.

For the year ending 30 June 2022:

| 0   | 636   | 129,564  | 2,181  |
|---|---|--|--|
| <b>Claim received through the whistleblowing hotline</b><br>(2021: 1) | <b>Suspicious internal transaction reports investigated, out of which 72 were filed at the Financial Intelligence Unit</b><br>(2021: 276) | <b>Financial crime risk management alerts investigated and closed</b><br>(2021: 149,583) | <b>Fraud/Alleged fraud cases investigated</b><br>(2021: 1,737) |

## TAX RESPONSIBILITY

The Group is recognised as one of Mauritius' largest corporate taxpayers, providing an effective avenue to invest in communities as our tax contributions provide revenue for public spending that supports the local economy.

Our approach to tax emphasises ethical, responsible and transparent behaviour. We ensure compliance with all local and overseas tax legislations by continuously reinforcing existing controls, processes and reporting. To ensure adequate governance oversight, the Group's risk management and internal control framework ensures tax risks are adequately managed while ensuring compliance with established internal policies and procedures and relevant laws and regulations. We promptly handle any assessments raised by tax authorities, with due escalation to the Board via the Audit Committee.

We keep up to date with any developments in tax legislations and integrate these changes into our tax strategy while also ensuring tax optimisation. To support this, the relevant teams across our organisation regularly attend trainings and seminars on tax, have access to online tax websites, and participate in various tax forums. We also seek assistance from external local and international tax advisers to address complicated or high-risk tax matters.

### TAX PAID BY THE GROUP BANKING SUBSIDIARIES

|   |  |  |  |
|---|--|--|--|
| <b>Rs 2,060 million</b><br><b>MCB Ltd</b><br>(2021: Rs 2,160 million) | <b>Rs 67 million</b><br><b>MCB Madagascar</b><br>(2021: Rs 44 million) | <b>Rs 33 million</b><br><b>MCB Maldives</b><br>(2021: Rs 54 million) | <b>Rs 183 million</b><br><b>MCB Seychelles</b><br>(2021: Rs 144 million) |
|---|--|--|--|

## PROTECTING HUMAN RIGHTS

In line with our commitment to comply with the Ten Principles of the UNGC\*, we ensure that human rights aspects are integrated throughout our value chain.

We continuously engage with our key stakeholders at all levels, including employees, customers, suppliers and the communities we serve, to mitigate any potential risks related to human rights.

### OUR PEOPLE



We provide a healthy and safe working environment for our employees, visitors and customers and ensure compliance with internal policies, rules and applicable regulations, namely the Workers' Rights Act 2019 (Mauritius)

Our employees have the rights to freedom of association and collective bargaining

The Group has an Equal Opportunity Policy to promote diversity and inclusion, including gender equality, and a fair and robust remuneration philosophy to reward its employees

### OUR CUSTOMERS



We conduct due diligence before undertaking any business transactions

Our ESR Policy provides guidance to ensure that human rights risks are identified and managed in our financing activities

Complying with the Equator Principles also contributes to managing human rights

### OUR SUPPLIERS



We ensure that human rights aspects are considered when selecting and working with suppliers

Due diligence is undertaken for suppliers, according to applicable regulations

Further details on actions regarding human rights, in accordance with the UNGC Principles, are highlighted throughout this Sustainability Report.

\* The UNGC principles were founded on the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.



### OUR APPROACH TO FAIR AND RESPONSIBLE REMUNERATION

The Group aims to promote fair, responsible and competitive remuneration that encourages performance and assists in attracting and retaining talent.

Our remuneration policy is based on meritocracy and ensures that:

- Comprehensive protection is provided, at the lower end of the income ladder, against cost-of-living increases
- Fairness and equity are promoted throughout the organisation
- Opportunity is given to employees to benefit from the financial results and development of the Group:
  - Staff members of the Group receive an annual bonus based on the Group's performance as well as an assessment of their contribution thereto and for demonstrating behaviours in line with the Group's values
  - Staff members have the added possibility to benefit from a share option scheme

Actions taken to promote fair and responsible remuneration during the year:

- We repeated our annual salary benchmarking exercise for all positions across the Group
- Initiated last year, we finalised the review of our grading and reward structure. The new reward structure will help strengthen talent attraction and motivation and improve our staff retention rate
- We are reviewing our remuneration philosophy to ensure we align with leading human capital practices as well as to include ESG metrics within our incentive schemes
- Gender pay gap, a key indicator in line with our Gender Equality Charter, is being monitored across the Bank to ensure minimal gaps at all levels
- We are currently enhancing the pay gap calculation methodology and will consequently be ready to communicate on this in coming years

**Rs 46,000**

**Rs 37,451\***

**Rs 58,054\***

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Average monthly basic salary at MCB  
in Mauritius (for bands ranging from  
technical to manager)

National average  
monthly salary

Average monthly salary in  
Finance and insurance activities  
in Mauritius

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\* Survey of Employment and Earnings in Large Establishments March 2022, Statistics Mauritius.

## ACTIONS TAKEN BY OTHER SUBSIDIARIES TO STRENGTHEN THEIR GOVERNANCE AND OVERSIGHT OF SUSTAINABILITY

### *MCB Seychelles*

During the year, Seychelles assented and adopted the Financial Consumer Protection Act, 2022. This Act aims to protect the interests of financial consumers by providing mechanisms to ensure that disputes are handled fairly, reasonably and effectively. Ultimately, the Act aims to promote the development of Seychelles' financial sector. MCB Seychelles initiated a review of its current dispute mechanisms to ensure these comply with the requirements of the Act. MCB Seychelles also reviewed its risk management policies related to market and credit risk in line with best practice and to ensure alignment with the Central Bank of Seychelles' Risk Management Guidelines.

### *MCB Maldives*

MCB Maldives continued to drive compliance with policies and regulation across its business. This was supported by a review of its compliance certificate controls as well as conducting frequent spot checks throughout the year to test the effectiveness of these controls. To further embed good governance practices and ensure robust oversight of sustainability-related risks and opportunities, MCB Maldives conducted an enterprise-wide risk assessment during the year.

### *MCB Madagascar*

To strengthen oversight and accountability of sustainability within the business, MCB Madagascar appointed an Environmental and Social Monitoring Officer. Responsibilities include preparing an environmental and social policy and implementation plan; assessing projects and loan applications in terms of their environmental and social risks; and ensuring ongoing and transparent communication on MCB Madagascar's progress against its environmental and social objectives. In addition, MCB Madagascar set up a Legal and Compliance Department to strengthen compliance management. This was supported by a detailed mapping exercise of MCB Madagascar's risk landscape as well as an employee-focused awareness campaign to promote a culture of compliance across the business.

### *MCB Consulting*

MCB Consulting continued to find opportunities to integrate sustainability into its business operations and support good governance practices. This included, for example, leveraging partnerships to deliver responsible products and services as guided by SDG 17. MCB Consulting initiated various conferences, webinars and workshops to create awareness among employees on the importance of sustainable technology. MCB Consulting further set up various sustainability-focused working councils that are made up of employees from different departments across the business. These working councils aim to drive the delivery and execution of MCB Consulting's sustainability goals and objectives.

## PRIORITIES FOR THE YEAR AHEAD



- Enhance our fraud transactions monitoring tool and provide training to relationship managers and executives on anti-money laundering and the importance of combating the financing of terrorism
- Digitalise the internal process for Suspicious Transaction Reports, review our Whistleblowing Policy and roll out a series of policy awareness sessions across the Group
- Implement the new rewards structure and ensure that it responds to the needs of our employees as well as the Group's business objectives









R. AULADIN  
Meet the artist



# VIBRANT AND SUSTAINABLE LOCAL AND REGIONAL ECONOMIES

We aim to create an environment that boosts local production and contributes to the economic and social development of the countries in which we operate. This is particularly important considering the pandemic's impact on economic stability, compounded by global challenges such as climate change. We are therefore increasing our efforts to support entrepreneurship and innovation while ensuring our products and services support economic growth and sustainable prosperity.

Alignment with SDGs, UNGC, UNEP FI PRB



## OUR APPROACH TO RESPONSIBLE PRODUCT DEVELOPMENT

We believe that our products and services should have a positive impact on the lives of our customers and improve the strength and resilience of communities.

When developing products and services, we follow the steps stipulated in our Product Development Policy. Colleagues from various business units including the sustainability team collaborate to discuss and validate the design and development of new products and services.



## RESPONSIBLE FINANCE THAT SUPPORTS ECONOMIC GROWTH AND DEVELOPMENT

Leveraging our products and services, we are investigating opportunities to collaborate with stakeholders and boost the local economy.

### 'LOKAL IS BEAUTIFUL'

Recognising our commitment to facilitate and finance Mauritius' sustainable development, we launched the 'Lokal is Beautiful' (LIB) initiative in 2019. This initiative aims to inspire local entrepreneurs to explore three avenues to build a prosperous and resilient Mauritius:

| Maker Island  | Circular Island   | Smart Island   |
|---|---|--|
| Making Mauritius a maker island by increasing its ability to produce what it consumes using local resources | Connecting local economic and material circuits to make Mauritius a circular island, which can be a powerful generator of wealth and innovation | Finding opportunities to harness the island's economic intelligence to create sustainable value rather than products |

We provide access to finance through the LIB loan scheme, which is available to a wide range of entrepreneurs from sectors that include manufacturing, agriculture, waste management and technology, among others. Benefits of the LIB scheme include up to 100% project financing, with more flexibility and lower interest rates. Financing through the loan scheme has been targeted at small and medium-sized enterprises (SMEs). However, we are revamping the loan product for capital expenditure and working capital requirements and extending the credit facility to mid-market enterprises (MMEs).

To further support local economic development, we recruited a community manager to create and foster an online community of local entrepreneurs in Mauritius and support them with capacity-building, insights into industry trends and advice on how to be successful in their entrepreneurial journeys. This will be supported by in-person networking opportunities.

#### 'Lokal Rebound'

Building on our objective to boost the local economy and in line with the LIB initiative, the Group commissioned a study entitled 'Lokal Rebound' in 2020. It provided an analysis of the productive fabric of Mauritius and identified products and sectors with the most potential to jumpstart the island's resilient revolution based on existing local know-how and demand. The study, published in June 2021, aimed to provide ideas and potential solutions for businesses recovering from the COVID-19 crisis.



'Lokal Rebound' - <https://mcb.link/lokal-rebound-en>



## VIBRANT AND SUSTAINABLE LOCAL AND REGIONAL ECONOMIES

To strengthen the LIB initiative, we have collaborated with key local players to promote entrepreneurship and boost local production.

### MADE IN MORIS



MCB has a standing partnership with the Association of Mauritian Manufacturers (AMM) to promote the **'Made in Moris'** (MIM) concept. It aims to foster food security, promote and improve local know-how and job creation amongst others. Any product or service having the MIM certification label indicates that it has been produced in Mauritius and meets the required standards set by the AMM.

Key impacts since its creation in 2013:

+140 companies adhere to MIM

+350 brands

+3500 products have the MIM label

### TURBINE



MCB is an official sponsor of **Turbine Incubator** since September 2020. The incubator empowers start-ups by providing professional services to help them on their growth journey while also contributing to the SDGs.

### AMFCE



MCB continues to reinforce its support to the **Association Mauricienne des Femmes Chefs d'Entreprise** (AMFCE), which brings together women business-owners from all sectors of the Mauritian economy to support the development and advancement of women. This includes, for example, collaborating with AMFCE on Business without Borders (a digital mentoring programme), the Academy for Woman Entrepreneurs (a localised entrepreneurship programme) and the Les Femmes Chefs d'Entreprises Mondiales International Conference (bringing together women entrepreneurs from around the world).

### KATAPULT MAURITIUS ACCELERATOR



MCB is a lead investor in the **Katapult Mauritius Accelerator**. This is an impact accelerator programme for local and international start-ups focusing on regenerative food and agritech solutions for Africa, using Mauritius as a nexus for innovation and transformation. The accelerator programme will support socioeconomic growth and development by:

- building local financial capacity through impact investing;
- implementing open infrastructure for collaboration;
- strengthening the ecosystem for entrepreneurship and innovation;
- connecting existing available solutions to core challenges; and
- connecting Mauritius to a global ecosystem for sustainable innovation.

### REGENERATION MAURITIUS



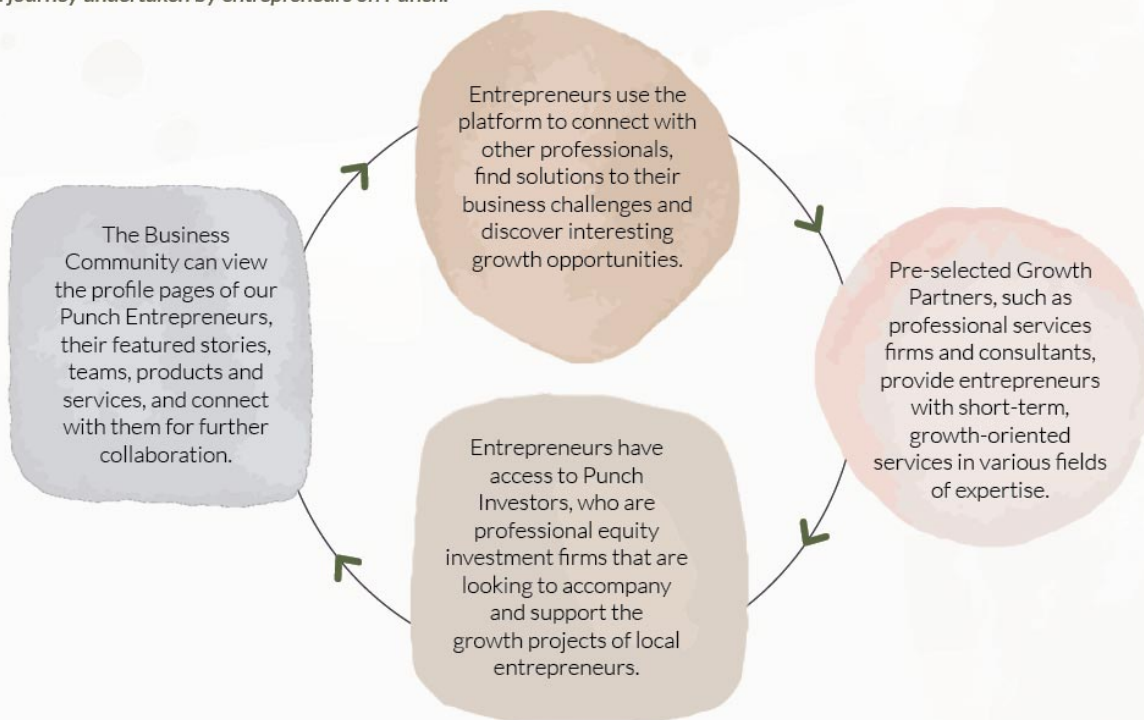
MCB is an infrastructure partner with **Regeneration Mauritius**, which brings together people, communities and companies with the goal of making Mauritius a regional hub for sustainable innovation that delivers technology-driven and regenerative food systems. Regeneration Mauritius aims to grow entrepreneurial skills among local communities and students and ignite innovative solutions that will increase food security.

**PUNCH**

Punch is an online, business-to-business platform that aims to build a stronger and more sustainable entrepreneurial ecosystem by connecting entrepreneurs with investors, companies or professional service providers to help them grow their businesses.

MCB launched its Punch platform in June 2021 in connection with the LIB initiative. The platform is open to all local entrepreneurs, from micro businesses to MMEs, and enables entrepreneurs to access new markets, business opportunities and alternative sources of finance. Additionally, Punch aspires to be a knowledge centre for entrepreneurs that they can leverage to grow their businesses.

*The growth journey undertaken by entrepreneurs on Punch:*



**HIGHLIGHTS FOR THE PAST FINANCIAL YEAR**

We increased the number of users registered on the platform

**1,600 entrepreneurs and 120 specialists**

We created an online market place

**300 products and 200 services are now available on the platform**

We introduced new ways to collaborate and grow

**Free downloadable tools and questionnaires are now available, and we launched an online discussion forum**



NEW PRODUCTS AND SERVICES TO SUPPORT LOCAL ENTREPRENEURS

During the year we launched our first digital and fully-automated SME lending product, Express Overdraft. This is a business overdraft facility of up to Rs 1 million that is made available to qualifying SMEs and MMEs within four working days (with facilities up to Rs 200,000 being unsecured). It has an average turnaround time of seven days including time waiting for customers to revert. The facility provides qualifying entrepreneurs with access to a line of credit that can help them manage cash flow disruptions or unexpected expenses, thereby helping them sustain their businesses. Additionally, this product is environmentally-friendly because there is almost no use of paper documents in this process.

PROMOTING FINANCIAL LITERACY AND INCLUSION

MICROFINANCE

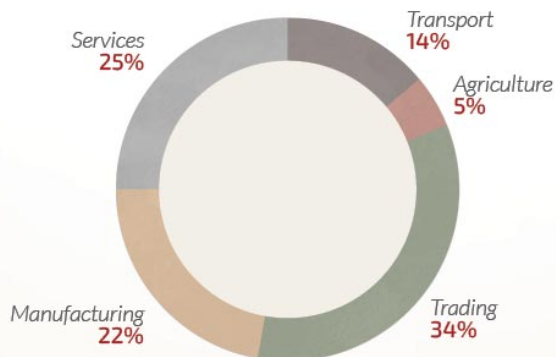
We promote financial inclusion and empower micro-entrepreneurs through MCB Microfinance, a non-banking financial subsidiary of MCB Group that was launched in July 2016.

MCB Microfinance provides small loans ranging from Rs 15,000 to Rs 800,000 to micro-enterprises and self-employed individuals. Options include working capital, investment and start-up loans.

MCB MICROFINANCE'S IMPACTS ON SOCIETY SINCE ITS LAUNCH IN 2016

|  |  |   |
|--|--|---|
| <p><b>5,120</b></p> <p>Loans disbursed, valued at Rs 1,039 million (including 448 loans disbursed in Rodrigues, valued at Rs 64 million)</p> | <p><b>2,958</b></p> <p>Clients financed (with 1,882 active clients as at 30 June 2022)</p>             | <p><b>40%</b></p> <p>Of loans have been disbursed to women clients</p>                    |
| <p><b>78%</b></p> <p>Of loans have been disbursed to businesses with an annual turnover less than or equal to Rs 2 million</p>               | <p><b>948</b></p> <p>Loans were disbursed during the past financial year, valued at Rs 217 million</p> | <p><b>2,239</b></p> <p>Outstanding loans as at 30 June 2022, valued at Rs 367 million</p> |

OUTSTANDING LOANS BY SECTOR AS AT 30 JUNE 2022 (RS 367 MILLION)



### FINANCIAL LITERACY

We believe that by helping people better understand financial concepts we can improve their financial knowledge and contribute to building a more inclusive and sustainable economy.

#### *Retail Banking*

We continue to educate our customers on how to detect and avoid fraud through digital awareness campaigns at all retail branches. This was supplemented by radio and social media broadcasts during the year, which focused on creating awareness on fraud and phishing. Additionally, awareness sessions were conducted in Mauritian creole language to ensure maximum reach across our customer base.

We continue to provide our customers with information on retirement planning, saving and the importance of planning for their financial future through ad hoc awareness campaigns. We offer our customers an education plan that enables them to save for the child's future through practical and tailored investment options.

#### *Business Banking*

To promote financial literacy, we are developing a television miniseries to increase awareness about the tools and solutions that entrepreneurs need to manage their business finances successfully. We continue to leverage our Punch platform to educate local entrepreneurs. We are creating a series of events called 'Punch Meets' focused on knowledge and capacity building and creating networking opportunities for entrepreneurs.

### FINANCIAL INCLUSION

We continue to enhance our products and services to increase financial inclusion and ensure that more people are able to benefit from safe, useful and affordable financial services. This is critical to foster meaningful economic inclusion and prosperity.

#### *Retail Banking*

During the year, we reviewed our unsecured loan offering to make it more accessible and affordable for lower-income customers by reducing the minimum amount and increasing the maximum tenor on unsecured loans. This enables customers to secure credit for smaller purchases, such as household items, at a lower interest rate than they would receive through typical hire purchase agreements.

Customers are now able to apply for personal loans digitally through our website and mobile banking application, MCB Juice. This enables customers to access finance and advice remotely, quickly and conveniently.

To better serve outlying customers, we relocated a rural branch to a more centrally located shopping facility that is accessible via public transport. More customers can now access the branch and benefit from financial services. We maintained our Automated Teller Machine (ATM) service to ensure the ongoing provision of basic banking services such as cash withdrawals and deposits in the region.

#### *Business Banking*

To better respond to our customers' daily transactional and other banking needs, more features have been added to MCB JuicePro, our mobile banking application for local businesses. These include, amongst others:

- Creating and managing the beneficiaries towards any local bank to simplify digital payments
- Introducing an 'Approval' function for businesses that require two levels of validation, including a notification feature to alert customers on payment status and transaction progress
- Accessing electronic statements and advice for the past three years
- Keeping track of recent card transactions and managing security and usage settings
- Quick access to sign in or sign up on the Punch platform



## SERVING OUR CUSTOMERS

The Group's focus has always been to provide customers with the right solutions that meet their needs. We offer tailored and simplified solutions and experiences while constantly seeking to improve the accessibility of our products and services.

|  |   |  |   |
|--|---|--|---|
| ~ 1,096,000  | ~ 49,000  | ~ 1,018,000  | ~ 41,000  |
| <b>MCB Group individual customers</b><br>(2021: ~ 1,062,900) | <b>MCB Group non-individual customers</b><br>(2021: ~ 43,800) | <b>MCB Ltd individual customers</b><br>(2021: ~ 998,200) | <b>MCB Ltd non-individual customers</b><br>(2021: ~ 37,100) |

## CUSTOMER LAB

The Customer Lab established in 2020 made further headway to help us build and offer a world-class customer experience, nurture customer-centricity and foster a culture of continuous improvement.

During the year, the Customer Lab continued to embed customer feedback in the organisation's operating model and core business processes. We combined market data and user research with co-creation opportunities and design experimentation to develop comprehensive customer experience frameworks, drive new product and service development and enable strategic planning. More than 10,000 customers shared their feedback with the Group.

The customer experience frameworks aim to provide a consistent set of metrics to measure progress. This is supported by ongoing customer feedback to enable us to monitor and manage user experience across various touchpoints and channels. The customer experience frameworks will further enable us to analyse customers' pain points and identify improvement areas while leveraging opportunities to improve customer experience and product development.

Building on these comprehensive customer experience frameworks, we are progressing on our journey to implement a Group-wide Voice of the Customer Programme across Retail, Business Banking and Private Banking and Wealth Management, and for some other internal partners.

|  |   |   |   |   |
|--|---|---|---|---|
| 10,000   | 15,700  | 112   | 20  | 25  |
| <b>Customers participated in surveys and research projects</b> | <b>Customer insights recorded from surveys and complaints</b> | <b>Research projects and initiatives rolled out during the year</b> | <b>Ongoing customer surveys (conducted either monthly or quarterly)</b> | <b>Real-time customer experience dashboards rolled out across the Group</b> |

Note: Figures above pertain to MCB Ltd

To monitor our customers' experiences, the Customer Lab uses and keeps track of the Net Promoter Score (to measure and act on customer loyalty) as well as the Customer Satisfaction Score (to assess the level of satisfaction with the service we provide).

|                             | RETAIL BANKING | BUSINESS BANKING | PRIVATE BANKING AND WEALTH MANAGEMENT |
|-----------------------------|----------------|------------------|---------------------------------------|
| Net Promoter Score          | 29.3           | 9.7              | 15.9                                  |
| Customer Satisfaction Score | 80.6           | 73.7             | 77.0                                  |

## IMPROVING CUSTOMER COMPLAINTS MANAGEMENT

We engage with our customers through effective complaints management to enhance our service level and provide an excellent customer experience.

During the year, we pursued efforts to further improve our customer complaints management. Initiatives include:

- Providing training and advisory support to employees involved in customer complaints management
- Ongoing assessment of complaints management across all the business clusters and onboarding of new processes across the business clusters to ensure effective complaints management and reducing the lead-time when addressing complaints
- Ensuring timely reporting and analysis of complaints to enable informed decision-making by the Group
- Adding new categories and sub-categories of complaints for new products and services for better monitoring
- Driving complex complaints investigations to ensure that clients and regulators receive timely and appropriate responses

Our dedicated complaints management team continue to work with the subsidiaries to improve customer complaints management. This includes channelling feedback and learnings to subsidiaries; reviewing existing complaints handling frameworks to increase effectiveness; and providing technical training on complaints management, as and when required.

### CUSTOMER COMPLAINTS AS AT 30 JUNE 2022

|                        |                              |   |   |
|------------------------|------------------------------|---|---|
| 15,367                 | 424                          | 81%   | 19%   |
| Complaints for MCB Ltd | Complaints for subsidiaries* | Complaints resolved in 5 days or less for MCB Ltd | Complaints resolved in more than 5 days for MCB Ltd |
| (2021: 12,467)         | (2021: 425)                  | (2021: 81%)                                       | (2021: 19%)   |

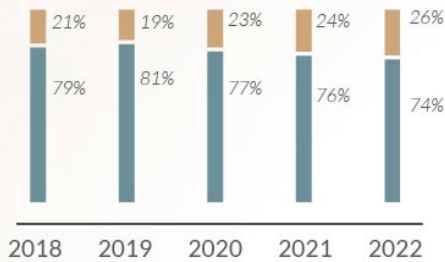
\* Subsidiaries include MCB Capital Markets, MCB Leasing, MCB Seychelles, MCB Maldives and MCB Madagascar.



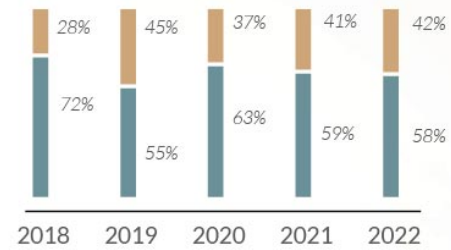
## PROMOTING LOCAL PROCUREMENT

MCB Group favours the sourcing of products and services from providers who manage their environmental, social and governance aspects. We encourage purchasing from local, Mauritius-based suppliers as much as possible. This excludes some specific services that must be sourced from abroad, such as consultancy and management of software licenses.

**MCB LTD - SUPPLIERS RATIO (%)**  
(BASED ON NUMBER OF SUPPLIERS)



**MCB LTD - PROCUREMENT SPEND RATIO (%)**



● Local ● Foreign

Note: Figures above are as at 30 June 2022

## ACTIONS TAKEN BY OTHER SUBSIDIARIES TO PROMOTE RESPONSIBLE FINANCE THAT SUPPORTS ECONOMIC GROWTH AND DEVELOPMENT

### MCB Maldives

MCB Maldives continued to find opportunities for customers to access products and services through digital platforms. This included, for example, introducing the option for customers to pay their taxes and custom fees via MCB Maldives' online banking platform. The bank further supported customers by offering digital onboarding as well as an enhanced service offering through its mobile application.

## ACTIONS TAKEN BY OTHER SUBSIDIARIES TO PROMOTE FINANCIAL LITERACY AND INCLUSION

### MCB Maldives

The Maldives Payment System Development project was initiated during the year. This is a government-led initiative to promote inclusive, safe and real-time retail payments infrastructure supported by innovative payment solutions that facilitate convenient, secure and affordable means of making payments across the nation. To support this important project, MCB Maldives began developing an interoperable mobile application for individual customers that can be used to make instant payments in an open banking environment.

### MCB Seychelles

MCB Seychelles has promoted financial education in Seychelles through collaboration with the United Nations Youth Seychelles, including financial workshops such as Global Money Week and eight dimensions workshops which were facilitated by its Risk Manager as the key speaker.

### MCB Madagascar

During the year, MCB Madagascar launched two account packages (Karibo and TamoTamo) to support customers by providing access to everyday banking essentials in convenient account packages that cater their unique needs. These account packages offer benefits such as access to MCB Madagascar's internet banking platform, overdraft facilities as well as special credit conditions. The TamoTamo package further offers customers the option of death and disability insurance or education savings plans as well as coverage of their monthly insurance premium for their chosen insurer.

### MCB Consulting

In collaboration with the MCB Forward Foundation, MCB Consulting developed a bookkeeping tool that was offered to the women involved in the Boutique Solidaire project. The objective of such a structure is to help people with very low incomes, allowing them to buy basic consumer products at affordable prices. The tool was developed by MCB Consulting's Finance team and aims to promote financial literacy and inclusion. To support this, MCB Consulting provided training as well as regular monitoring and maintenance of the tool. In addition to its work with the Boutique Solidaire project, MCB Consulting is working in partnership with a major telecommunication company in Africa to promote financial inclusion across the continent via a digital application that makes it easier for customers to access credit.

## PRIORITIES FOR THE YEAR AHEAD



- Reinforce our ambition to empower and support women entrepreneurs
- Create opportunities for more entrepreneurs to access the revamped LIB scheme
- Strengthen our partnerships with existing local players and explore new opportunities for collaboration – this includes working with local suppliers to help them achieve certification through 'Made in Moris'
- Increase customer awareness of our rural branches by improving branch visibility and creating better awareness of the benefits of the financial services the Group provides
- Increase our social media presence to reach more customers
- Continue to enhance our approach to customer complaints management – including strengthening complaints services within our subsidiaries and ensuring that customer complaints are appropriately considered during product design and development









CORALIE M.  
Meet the artist



# OUR ENVIRONMENTAL AND CULTURAL HERITAGE

MCB Group recognises the importance of preserving Mauritius' natural capital as it supports not only the economy, people and society, but also the biodiversity, ecosystems and habitats of many species. Climate and environmental risks are increasing in frequency and intensity. As a small island, Mauritius is particularly vulnerable to these extreme events. We are therefore committed to taking a leading position in combatting climate change by ensuring our financing activities support low greenhouse gas emissions and climate-resilient infrastructure that are aligned with the national policies of Mauritius and the countries where we operate.

Alignment with SDGs, UNGC, UNEP FI PRB



Principles 1, 2, 7, 8, 9

Principles 2, 3, 4

## CLIMATE AND ENVIRONMENTAL RISK MANAGEMENT

We are building a roadmap to develop and implement a climate-related and environmental financial risk management framework and a governance model for managing physical and transition risks.

More frequent and severe weather events have a devastating impact on people, societies and economies, and highlight the urgent need for climate action. This action includes responding to growing calls for greater transparency on what businesses are doing to transition the world to low-carbon and climate-resilient economies.

In April 2022, the Bank of Mauritius published the Guideline on Climate-related and Environmental Financial Risk Management. This Guideline requires financial institutions to assess and report on their climate-related and environmental financial risks. At MCB, we recognise the importance of this disclosure requirement. Climate-related risks threaten financial institutions as we are exposed to these risks through our financing activities. Failing to recognise and manage these risks could impact our financial stability. We also have a responsibility to allocate our capital towards projects that support the transition to low-carbon economies.

We are taking steps to advance our climate journey with the vision of working towards a low carbon economy.

During the year, we undertook the following actions to help us respond to the Guideline:

- We set up a climate risk working group that is composed of representatives from the Risk, Sustainability and the Strategy, Research and Development (SRD) Strategic Business Units. The working group was tasked with developing an internal roadmap that unpacks how the Bank will integrate climate-related risks into its existing risk management system. This roadmap was submitted to the Bank of Mauritius in September 2022.
- We established a steering committee to monitor MCB's progress in implementing the Guideline. This committee comprises the Group CEO, the CEO of MCB Ltd, the Chief Risk Officer, the Head of Communication and Corporate Sustainability and the Head of the SRD SBU of the Bank.
- Our next step is to look for a service provider to assist us with providing climate data and assessing the Bank's physical and transition risks. At the same time, the Chief Risk Officer and the climate risk working group will identify a project team to implement the Guideline, define the roles and responsibilities of all involved in the project and recommend a governance structure for climate-related risk management.

We are conducting Climate Fresk workshops with colleagues across the business, including our leaders, to raise awareness about climate change.



Climate Fresk workshops have been held with our leaders and our colleagues across business units, thus raising awareness about climate change

In line with our climate commitment, MCB organised a session on COP26 with a specialist.

In November 2021, we organised live, online sessions for our clients and staff to learn more about climate change. These sessions were hosted by Dr. François Gemenne, a specialist in environmental geopolitics and member of the Intergovernmental Panel on Climate Change. Dr. Gemenne participated in COP26, and shared the outcomes of climate change sessions hosted at the event. He spoke about the commitments made during COP26 and the implications for the world, with a particular focus on small island developing states like Mauritius and financial institutions. The sessions were highly engaging and well attended by our clients and employees.



### RESPONSIBLE FINANCE THAT SUPPORTS ENVIRONMENTAL SUSTAINABILITY

We have initiated various actions in recent years to deliver on our commitment to help the country and our customers transition to a low-carbon economy.

In 2009, the Agence Française de Développement (AFD) partnered with MCB and other local banks to finance development projects under its green finance label SUNREF. We have since signed three credit lines totalling EUR 175 million. In 2021, MCB Madagascar signed its first credit line of EUR 6 million with AFD.

The Bank adopted the Equator Principles in 2012. We are a signatory to the UNEP FI PRB since 2019 and are assessing the impacts of our financing activities using the UNEP FI impact analysis tool. We also joined the UNGC Climate Ambition Accelerator programme in 2021.

We made a commitment to stop all new financing of coal infrastructure and trade worldwide, whether thermal or metallurgical, and to stop financing new coal-fired power plants in Mauritius as from 2022. We did not undertake any coal trade finance in the past financial year.

We remain committed to managing our direct environmental impacts and our operational footprint by efficiently managing energy and water consumption, paper usage, and reducing our carbon emissions. We have set environmental and social targets for our operations, excluding our financing activities. Read more on pages 60-64.

We made provision for a green credit envelope of Rs 1 billion per year over three years (2020-2022) to finance low carbon projects. In October 2021, we reviewed the initial envelope and earmarked a total of Rs 5 billion to finance ESG projects, with a particular focus on renewable energy.

Sustainable investing remains a key tenet of our investment philosophy and we are working towards building a consolidated ESG score for managed portfolios. We work with fund managers that have ESG criteria in their selection processes.

In addition to the above, the Group has a growing offering of green financial products and services.

#### SUNREF GREEN LOAN

AFD has been an important partner to MCB Ltd for financing environmental-related development projects in Mauritius under the SUNREF programme since 2009. Over the years, numerous positive environmental and social impacts have resulted from this financing. EUR 18 million was disbursed in the past financial year under SUNREF III mostly for renewable energy financing and partly for climate adaptation projects.

#### GREEN LEASE

MCB Leasing launched Green Lease in December 2020 for individuals and businesses willing to adopt sustainable solutions. It covers the acquisition costs for electric or hybrid vehicles as well as the installation costs for photovoltaic-based charging stations at a fixed interest rate of 4.75% per annum. During the financial year, Rs 341 million was disbursed for electric and hybrid cars (2021: Rs 66 million). We anticipate that the market for electric or hybrid vehicles will continue to grow in the year ahead as consumers become more environmentally conscious and electric or hybrid cars become more easily available.

#### GREENDRIVE

We continued to offer the GreenDrive loan scheme to employees. Launched in June 2021, this initiative encourages employees to choose electric or hybrid vehicles and supports our climate commitment to shift from fossil fuels to cleaner energy systems. During the financial year, we disbursed loans of Rs 46 million under this scheme for the purchase of electric and hybrid vehicles (2021: Rs 19 million).

### CARBON OFFSETTING

In line with our commitment to help companies in their climate transition journeys, last year we committed to invest EUR 5 million from 2021 to 2040 in Livelihoods Carbon Fund 3. This is an impact investment fund focused on financing large-scale projects with positive social and economic impacts for rural communities. The fund is expected to generate its first carbon credits in 2024, reaching 800,000 credits at the end of 2040. The carbon credits will be used to offset the Bank's direct carbon emissions and will also be offered to clients who are committed to carbon neutrality.

### SUSTAINABLE INVESTMENT THROUGH ESG FUNDS

Our Private Banking and Wealth Management (PBWM) SBU offers customers the opportunity to invest in ESG-themed funds related to sustainable technologies and clean environments. This includes global clean energy funds and electric vehicles and driving technology exchange-traded funds.

The PBWM team reviews the ESG credentials of funds during the investment selection process for managed portfolios and are collecting ESG data for all lines in our portfolio. Our goal is to build a consolidated ESG score to better understand ESG performance based on benchmarks for financial performance and ESG credentials. In the medium-term, we remain focused on ensuring that the ESG scores for managed portfolios meet or surpass their benchmark scores.

During the year, the MCB Investment Management team undertook tailored ESG training to reinforce its sustainable investing framework and to ensure they remain up-to-date with the rapid developments in this space.

Other key initiatives implemented by our MCB Investment Management business unit for the past year include:

- Identifying the main ESG factors to be considered as part of the investment management process in line with the Group's sustainability agenda
- Developing our ESG investment policy
- Monitoring the sustainability profile of overseas securities using external data providers



### FINANCING NATURAL GAS

To limit global warming and mitigate climate change's impacts, MCB recognises the need for countries around the world to transition to low-carbon economies. This is particularly important for Africa, as existing development challenges such as poverty, food insecurity and instability make the continent most vulnerable to climate change. However, we also recognise Africa's complicated energy requirements and the challenge in having the right balance between climate goals, economic and social progress and access to energy.

Africa has the lowest rate of energy access globally – it is estimated that 600 million people lack access to electricity and more than 930 million lack access to clean cooking fuels\*. While there has been increased investment in the continent's vast renewable energy potential, this is insufficient to meet growing energy demands.

MCB's Energy and Commodities activities across the continent have contributed to job and wealth creation and distribution by accompanying countries to sustainably utilise the natural resources they are endowed with. Natural gas for instance, is abundant in Africa, and it is estimated that the continent has 455.2 trillion cubic feet of available reserves\*\*. There is also vast opportunity to enhance access to liquefied petroleum gas (LPG) to boost the continent's energy transition. We acknowledge that the role of natural gas as an energy source remains contested. For example, there are concerns that building new gas infrastructure risks locking-in emissions and crowding out renewable energy financing.

Conversely, gas has a significantly lower carbon footprint than coal and other carbon-intensive fossil fuels, which currently play a large role in Africa's economies. We therefore believe that gas can act as a transition fuel that serves people and planet and should be harnessed while alternative and renewable energy sources are developed. This approach is supported by many in-country policies that recognise the role of gas in their energy mix. We are therefore looking to increase our participation in projects that harness gas energy while promoting environment friendliness and increasing living standards.

Accordingly, this year we joined a consortium of international banks and funds to finance a senior loan facility of USD 325 million for energy-solutions provider, Genser Energy. The facility will be used to finance several energy projects in Ghana including a 100 km natural gas pipeline to Kumasi, a 200 million standard cubic feet per day gas conditioning plant at Prestea and a natural gas liquid storage terminal at Takoradi Port.

These projects provide an important bridge to shift Ghana away from its dependence on imported diesel and heavy fuel oil towards indigenous natural gas as a low-carbon intensive fuel. The pipeline will also support relocation of power plants from coastal regions to reduce line losses and improve efficiency on the national grid. Moreover, the gas conditioning plant will produce cleaner fuels and establish Ghana as a significant producer and exporter of natural gas liquids. This demonstrates the potential of natural gas to act as a transition fuel that can help Africa achieve its development agenda.

Prior to joining the loan facility, we applied the ESR management process to proactively identify and mitigate environmental and social risks in accordance with the Equator Principles and IFC Performance Standards.

Looking ahead, we believe that the increased financing of LPG and natural gas will form part of MCB's low-carbon transition strategy. To help us develop and execute this strategy, we will set up a transition task force during the next financial year. This task force will consist of members of management, including our Group CEO, and will be mandated to determine what is required to gradually transition to a low-carbon financing portfolio over time.

Our transition strategy builds on our commitment to stop all new financing of coal infrastructure and trade worldwide, whether thermal or metallurgical, and to stop financing new coal-fired power plants in Mauritius from 2022.

Ultimately, we remain focused on aligning business development, socioeconomic progress and profitability with the notion of sustainability over time.

\* *The Road to COP27: Making Africa's Case in the Global Climate Debate*, July 2022.

\*\* *Addressing Africa's energy deficit: Climate change, renewables, and gas*; Mo Ibrahim Foundation, September 2022 Available on <https://mo.ibrahim.foundation/sites/default/files/2022-09/energy-transition.pdf>

MCB ENERGY AND COMMODITIES FINANCING PORTFOLIO

| USD million                        | June 2020 |          | June 2021 |          | June 2022 |          |
|------------------------------------|-----------|----------|-----------|----------|-----------|----------|
|                                    | Funded    | Unfunded | Funded    | Unfunded | Funded    | Unfunded |
| <b>Oil and Gas</b>                 |           |          |           |          |           |          |
| Trade finance                      | 468       | 852      | 780       | 1,315    | 1,562     | 1,077    |
| Exploration and production         | 290       | 0        | 351       | 8        | 360       | 45       |
| Project finance                    | 19        | 0        | 15        | 0        | 48        | 14       |
| Prepayments                        | 365       | 28       | 347       | 0        | 185       | 0        |
| <b>Coal</b>                        |           |          |           |          |           |          |
| Trade finance                      | 23        | 7        | 0         | 0        | 0         | 0        |
| <b>Total</b>                       | 1,165     | 887      | 1,493     | 1,323    | 2,155     | 1,136    |
| <b>% of MCB Ltd's total assets</b> | 9%        |          | 10%       |          | 14%       |          |

Note: The figures above pertain to the net exposures at risk



At MCB Group, we recognise our responsibility to respond to the worldwide climate emergency. We believe there is vast potential to shift away from heavy fuel oil to gas while leveraging the opportunities this will bring to generate economic activity at a lower cost to the environment and society. Our contribution to Genser Energy's loan facility builds on our participation in a syndicated gas-to-power project finance facility in Senegal last year. We look forward to deploying more capital towards LPG trade financing in our core markets and to accompanying our clients in their upstream and midstream gas projects as we pursue energy security, affordability and efficiency for the benefit of communities and business across the region.

*Zaahir Sulliman*  
 Head of Specialised Finance  
 MCB Ltd



## MANAGING OUR DIRECT ENVIRONMENTAL IMPACTS

### OUR CARBON FOOTPRINT

The Group remains committed to reducing its carbon emissions in line with the Paris Climate Agreement commitments and to supporting the country's transition to a low-carbon economy. We have set a target to contribute to carbon neutrality by offsetting residual carbon emissions generated from our direct daily operations by 2023. This includes Scope 1, Scope 2 and partial Scope 3 emissions (focusing on employee commuting and business travel).

The main sources of our greenhouse gas (GHG) emissions are derived from purchased electricity (Scope 2) and financing activities (Scope 3). We are enhancing our carbon measurement methodology by gradually adding significant upstream and downstream Scope 3 operations. We are also in the initial phase of evaluating the carbon footprint of our financing operations.

*Carbon neutrality progress (MCB Ltd)*

#### Target: Contribute to carbon neutrality by offsetting residual carbon emissions

**Progress in 2021**  
(January to December)



Our total greenhouse gas\* emissions for 2021 amounted to 15,011 tonnes CO<sub>2</sub>-eq (2020:15,016 tonnes CO<sub>2</sub>-eq). This is a 0.03% decrease year-on-year. During the year, we offset the Scope 1 and Scope 3 GHG emissions generated by MCB Ltd in 2020 (January to December) through projects in India, equating to 3,306 tonnes CO<sub>2</sub>-eq. We also converted our Scope 2 electricity consumption into International Renewable Energy Certificates (I-RECs)\*\*, indicating that the electricity the Bank consumed was generated from renewable sources in Mauritius.

### TOTAL GHG EMISSIONS (TONNES CO<sub>2</sub>-eq) BY CATEGORY



#### Scope 1

Direct emissions from sources owned or controlled the company. For MCB, this includes fuel use in backup power generators, fluorinated gas losses and fuel for company vehicles.

#### Scope 2

Indirect emissions from the generation of purchased energy. For MCB, this reflects purchased electricity.

#### Scope 3

All other indirect emissions from the company's value chain. For MCB, this includes upstream emissions from employee commuting and business travel. It excludes other upstream categories and downstream financing activities.

\* MCB computes its greenhouse gas emissions according to the Greenhouse Gas Protocol carbon accounting methodology, developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

\*\* A REC (Renewable Energy Certificate) is a type of Energy Attribute Certificate (EAC) that represents the environmental attributes of the generation of a one-megawatt hour (MWh) of energy produced by renewable sources. Using EACs, end-users around the world can make reliable claims about their energy usage.

OUR OPERATIONAL FOOTPRINT

In 2019, we set objectives and targets to monitor and manage our key direct environmental impacts\*. These impacts include GHG emissions, energy and water consumption and paper usage. We remain committed to managing these impacts efficiently.

Energy consumption (MCB Ltd)

The Bank continues to work on reducing the energy intensity of its operations, which takes into account the electricity consumption at the Bank’s owned and leased buildings in addition to back-up diesel-sourced generators. The Bank sources the electricity necessary to run its operations from the national grid, mostly generated from non-renewable sources (fuel oil and coal). One of our main offices at St Jean is equipped with a solar farm that generated around 629 MWh electricity in 2021.

In line with the Government’s commitment to increase the share of renewable energy in the national energy mix to 60% by 2030, we are investigating opportunities to add renewable energy sources into our energy mix. Following an evaluation in 2020, we identified five branches where we could install photovoltaic generators. Installation started in August 2022 and the generators will be commissioned by the Central Electricity Board in the year ahead.

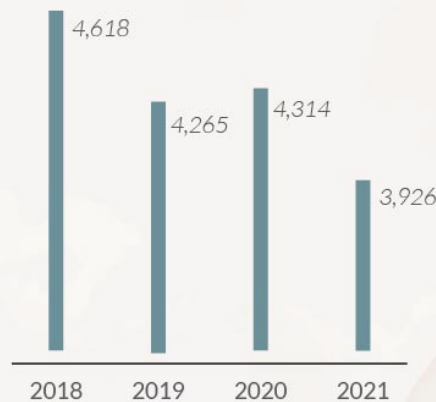
Target: 23% reduction in intensity by 2023 (electricity)

Progress in 2021  
(January to December)



Energy intensity decreased from 4,314 kWh per full-time employee (FTE) in 2020 to 3,926 kWh per FTE in 2021, representing a 9% decrease year-on-year. This decrease is mostly due to ongoing efforts to increase the energy efficiency of our equipment and buildings. The decrease in 2021 represents a 15% cumulative decrease against our 2018 baseline.

ENERGY INTENSITY (kWh per FTE)



\* We monitor data energy and water consumption, GHG emissions, paper usage, and waste generation annually from January to December.



## OUR ENVIRONMENTAL AND CULTURAL HERITAGE

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### Water consumption (MCB Ltd)

Mauritius is a water-stressed island. We are therefore focused on carefully monitoring and reducing our water consumption. We have implemented various water-saving actions in recent years. This includes, among others, replacing normal taps with automatic sensor taps.

### Target: 25% reduction in intensity by 2023

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#### Progress in 2021

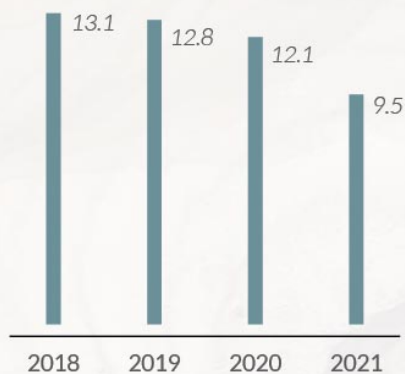
(January to December)



Water intensity decreased from 12.1 m<sup>3</sup> per FTE in 2020 to 9.7 m<sup>3</sup> per FTE. This reduction was supported by our flexible working policy, which enabled employees to work remotely as well as on-site. Less water was used in 2021 for cleaning, as certain buildings remained partially operational due to COVID-19 restrictions. The decrease in 2021 represents a 26% cumulative decrease against our 2018 baseline.

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### WATER INTENSITY (m<sup>3</sup> per FTE)



Paper usage (MCB Ltd)

We are actively working on reducing paper consumption for our direct operations, clients and security holders. Some ongoing actions for Retail Banking include electronic KYC via tablets, online account opening and QR codes for product pamphlets.

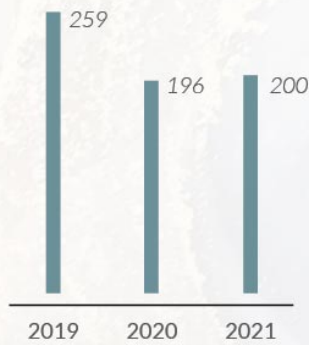
Target: Below 100 tonnes by 2023

Progress in 2021  
(January to December)

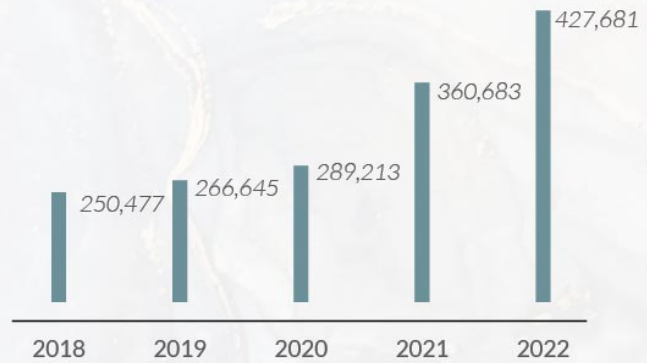


Paper consumption increased slightly year-on-year, from 196 tonnes of paper consumed in 2020 to 200 tonnes in 2021. This increase is mostly due to the number of Annual Reports printed in 2021 compared to 2020 when the Bank was not required to produce printed reports due to COVID-19. We continually encourage customers to subscribe to e-statements. The Group also encourages shareholders and bondholders to receive our Annual Report by email instead of the printed copy usually sent to them. As at June 2022, 37% of shareholders have opted for the electronic version.

TOTAL PAPER CONSUMPTION (TONNES)



E-STATEMENT SUBSCRIPTIONS FOR ACTIVE CUSTOMER ACCOUNTS (MCB LTD)





## OUR ENVIRONMENTAL AND CULTURAL HERITAGE

### Waste management (MCB Ltd)

The Bank's waste segregation and management system includes the collection and recycling of paper, plastic, alkaline batteries, coffee capsules and ink toners for printers. We encourage employees to recycle their personal domestic waste and use the waste collection facility provided at MCB's buildings. We work closely with registered recycling companies to dispose of and recycle waste.

| Waste segregated and recycled | Quantity |       |
|-------------------------------|----------|-------|
|                               | 2020     | 2021  |
| Waste type                    |          |       |
| Paper (tonnes)                | 81       | 84    |
| Plastic (tonnes)              | 0.56     | 0.55  |
| Printers' ink toners (unit)   | 723      | 517   |
| Alkaline batteries (tonnes)   | 0.03     | 0.15  |
| Coffee capsules (unit)        | 6,154    | 2,090 |

In 2021, MCB joined Mauritius' food waste prevention programme as we operate two restaurants that cater to our employees. The PLEDGETM on Food Waste is a Singapore-based third-party benchmarking and certifying body for restaurants, hotels and canteens aiming to help organisations reduce food waste and save money on food.

For the past financial year, food waste decreased from 53 grams per serving (6.2 tonnes) to 42 grams per serving (1.5 tonnes). We obtained the highly distinctive mark of 94% for our restaurants, which gives us a Gold medal. The assessment highlighted their key strengths and effort to reduce food waste within their operations. Additionally, our catering operations comply with the HACCP (Hazard Analysis Critical Control Point) Principles to ensure food safety practices.

### Additional environmental initiatives

MCB is among the first card issuers worldwide to propose a more sustainable alternative to polyvinyl chloride for its various card programmes. The Bank collaborated with international software and digital security company, Gemalto, to gradually convert its card portfolio into a recyclable, bio-sourced and degradable polylactic acid (PLA). To date, 68% of its debit and credit cards are PLA.

## BIODIVERSITY CONSERVATION

Biodiversity loss is increasingly being observed in many parts of the world. It has far-reaching socioeconomic and environmental consequences and is disrupting ecosystems and societies. We therefore continue to find opportunities to contribute to restoring and conserving biodiversity in the communities we operate in by collaborating with the Mauritian Wildlife Foundation (MWF) and Ebony Forest.

### MAURITIAN WILDLIFE FOUNDATION

The MWF is Mauritius' largest non-governmental organisation that focuses on the conservation and preservation of the nation's endangered plant and animal species.

During the year MCB continued to support five of MWF's programmes, which aim to protect four endemic species under threat of extinction. These species include the Echo Parakeet, Pink Pigeon, Günther's Gecko, and the Round Island Boa. MCB also contributes significantly to protecting the fragile biodiversity of Mauritius' islets, including île de la Passe, l'île aux Fouquets, and îlot Gabriel. We fund education sessions and workshops to raise awareness among fishermen, skippers, tourists, officers of the National Coast Guard, and children.

MCB's partnership with the MWF includes a customer-focused initiative named Cards for Change. Since May 2019, MCB has paid Rs 0.10 for every transaction that clients make using their MCB debit cards. As of July 2022, Rs 9 million has been raised through this initiative. Available funds are given to other organisations as well to support biodiversity projects, with a focus on protecting the fauna and flora of île aux Aigrettes and the southeast region.

Key positive impacts achieved through MWF initiatives on the islets:

|   |  |  |  |  |
|---|--|--|--|--|
| <b>47</b>                                   | <b>3</b>   | <b>43</b>  | <b>66</b>  | <b>8,659</b>   |
| skippers engaged in islets education visits | workshops with 72 fishermen and 4 workshops with 64 National Coast Guard (NCG) officers were organised | fishermen and 67 NCG officers from the southeast region took part in educational tours on 3 islets | awareness/ educational activities focusing mostly on island users to inform them of the conservation work to rebuild reptile communities | visitors to île aux Aigrettes were exposed to the importance of islet restoration to save species, like the Günther's Gecko and Round Island Boa from extinction |

### EBONY FOREST

Ebony Forest covers 50 hectares of land in Chamarel in the southwest of Mauritius and is a protected endemic sanctuary and key biodiversity area as per the International Union for Conservation of Nature. Ebony Forest is also known as a bird area according to BirdLife International.

Since 2019, MCB has sponsored two hectares of forest and contributed to the weeding and planting of endemics and natives. During the year, 33 different species and 809 plants were planted, assisted by 32 volunteers.



### CULTURE

Culture is one of the pillars of the Group's sustainability engagement because it favours social integration and the collective participation of the population. The Group promotes culture and art to for the development of individual and collective identities.

#### MATISSE A MAURICE

In line with our commitment to build Mauritius' cultural and artistic heritage, we supported an exhibition of the famous French visual artist, Henri Matisse, at our Blue Penny Museum. The exhibit was open to the public and was the first of its kind for the region, creating an opportunity for all Mauritians to discover authentic and rare works by Henri Matisse.

#### SAMUDRA ART PRIZE

We sponsored an art competition. Participants submitted artworks to raise awareness on pressing environmental issues, with a focus on the coral ecosystem. We sponsored the Young Artists category. The top five participants were rewarded with prizes and the opportunity to participate in a workshop hosted by local artist, Gael Froget. This year the design concept of the Annual and Sustainability Reports was inspired by these artworks and we have selected a few and included them throughout the reports.

#### LES AMIS DE MAX BOULLÉ

We sponsored the drafting and printing of a book on Max Boullé, a local artist, painter and architect. We contributed to an accompanying exhibition as well as the media and promotion of the book.

#### BONNTO SESSIONS

MCB pledged support for the local music industry, which was severely impacted by COVID-19. The Group is the main sponsor for the first season of the Bonnto Sessions. This is an online platform where local musicians are paid to perform songs and have the opportunity to engage with the audience on their discographies. The first season consists of 70 videos, which will be released between June and December 2022.

#### TEAM MCB

MCB has been a partner to the Mauritius Cycling Federation since 2017 and extended this support to the women's national cycling team in 2020. MCB contributed Rs 6.8 million to the Mauritius Cycling Federation in 2022.

#### RANDO TRAIL AND NATURE

MCB is a partner to Rando Trail and Nature, which organises Mauritius' local league of annual trail runs. During the year we also supported the Mauritian Team representing the Island for the Trail World Championship in November 2022 in Thailand. Rs 650,000 was allocated to Rando Trail and Nature during the past financial year.

### THE GOOD SHOP

During the year we entered into a three-year partnership with The Good Shop.

The Good Shop is a social enterprise that runs second-hand shops selling used clothing and household items. The enterprise aims to positively impact the environment by extending the life of goods as well as providing jobs for people with few skills or little education or who have disabilities or addictions. The Good Shop is also committed to funding scholarships for children living in poverty.

Through this partnership, MCB Ltd aims to assist The Good Shop to become more efficient. We will also collaborate with The Good Shop in finding opportunities to strengthen circular economies based on a defined three-year plan to raise its productivity, add value to its current activities and better communicate on its different initiatives. In addition to providing financial support, we are assisting with staff training, purchasing of equipment and the provision of a vehicle, among others. We will assist with organising awareness campaigns on the importance of circular economies and to promote the work being done by The Good Shop.

### ACTIONS TAKEN BY OTHER SUBSIDIARIES TO PROMOTE RESPONSIBLE FINANCE THAT SUPPORTS ENVIRONMENTAL SUSTAINABILITY

#### *MCB Seychelles*

MCB Seychelles increased the facilities available to support investment in sustainable finance through the launch of its Green Loan product. This product enables access to finance for sustainability-related projects, with a particular focus on those that promote renewable energy and energy efficiency.

#### *MCB Madagascar*

MCB Madagascar signed its first line of credit of EUR 6 million with the AFD under its green finance label SUNREF in 2021. This credit line will help address energy needs and respond to the environmental and social challenges Madagascar faces. It also offers opportunities for businesses to contribute to the country's economic development in multiple areas, namely energy management, renewable energy, efficient energy technology, sustainable management of resources and environmental protection. During the year, MCB Madagascar deployed EUR 512,000 into six projects that focused on, among other things, energy efficiency and solar installations as well as wastewater treatment.

#### *MCB Maldives*

MCB Maldives continued to support the growth and development of its long-standing corporate client, Ensis Fisheries, which is the leading exporter of fresh tuna and other seafood from the Maldives. Ensis Fisheries employs approximately 4,600 individuals across the country and is focused on embedding sustainability throughout its operations. This includes, for example, ensuring that every fish is individually caught in the most environmentally-friendly manner via pole-and-line fishing or hand-line fishing. MCB Maldives remains Ensis Fisheries' preferred local banking partner.



### ACTIONS TAKEN BY OTHER SUBSIDIARIES TO MANAGE THEIR DIRECT ENVIRONMENTAL IMPACTS

#### *MCB Seychelles*

MCB Seychelles took steps during the year to reduce its carbon emissions by installing LED lights as well as energy-efficient equipment in offices. To reduce its reliance on non-renewable electricity sources, the bank initiated a project to install solar panels at its head office. MCB Seychelles also signed up for digital rather than printed newspapers. Any printed newspapers after use are redirected to alternative businesses or industries where they can be reused. This includes, for example, mechanics or art schools. This helps to support recycling and better waste management.

#### *MCB Madagascar*

MCB Madagascar successfully installed solar systems at three branches namely Toliara, Nosy Be and Mahajanga for electricity generation and consumption. Additionally, MCB Madagascar conducted a carbon footprint assessment in view of reducing its operational footprint. The outcome of the exercise showed several potential improvement areas.

#### *MCB Maldives*

MCB Maldives continued to encourage customers and employees to walk to the head office rather than using motorcycles and other vehicles. In addition, the bank began gradually replacing its light fittings with LED lights to improve the energy efficiency of its operations. MCB Maldives also implemented a new waste disposal process during the year to support better waste management and recycling.

#### *MCB Consulting*

MCB Consulting has implemented various initiatives to reduce its operational footprint. These initiatives include, among others, phasing out corporate business cards for near-field communication cards; replacing plastic water bottles in corporate meeting rooms with glass bottles; and integrating paper bins within its offices to increase recycling and improve waste management. MCB Consulting also maintains a green space at les Salines where for every 10,000 km travelled by its consultants, an endemic plant is introduced. It also made a foldable bicycle available to one of its employees that can be used to reduce their environmental impact.

### ACTIONS TAKEN BY OTHER SUBSIDIARIES TO PROMOTE BIODIVERSITY CONSERVATION

#### *MCB Seychelles*

During the year, MCB Seychelles launched Seychelles Endemic Board project. Through this project, almost every school across Seychelles will be supplied with boards that illustrate the endemic species found in the country's lower, middle and upper forests. In addition, MCB Seychelles donated SCR 10,000 to the Veuve Reserve on La Digue for general enhancements to the nature reserve. This is a special reserve for the protection of wildlife habitats and plant species, with a particular focus on protecting the rare endemic bird species, the Seychelles Black Paradise Flycatcher.

#### *MCB Consulting*

MCB Consulting embarked on a coral reef preservation journey with an NGO by purchasing spider frames, which are used to rehabilitate degraded reef habitats. MCB Consulting also initiated a diving programme aimed at its employees to incite passion and encouraged them to engage in submarine reef protection activities.

## ACTIONS TAKEN BY OTHER SUBSIDIARIES TO PROMOTE CULTURAL HERITAGE

### MCB Consulting

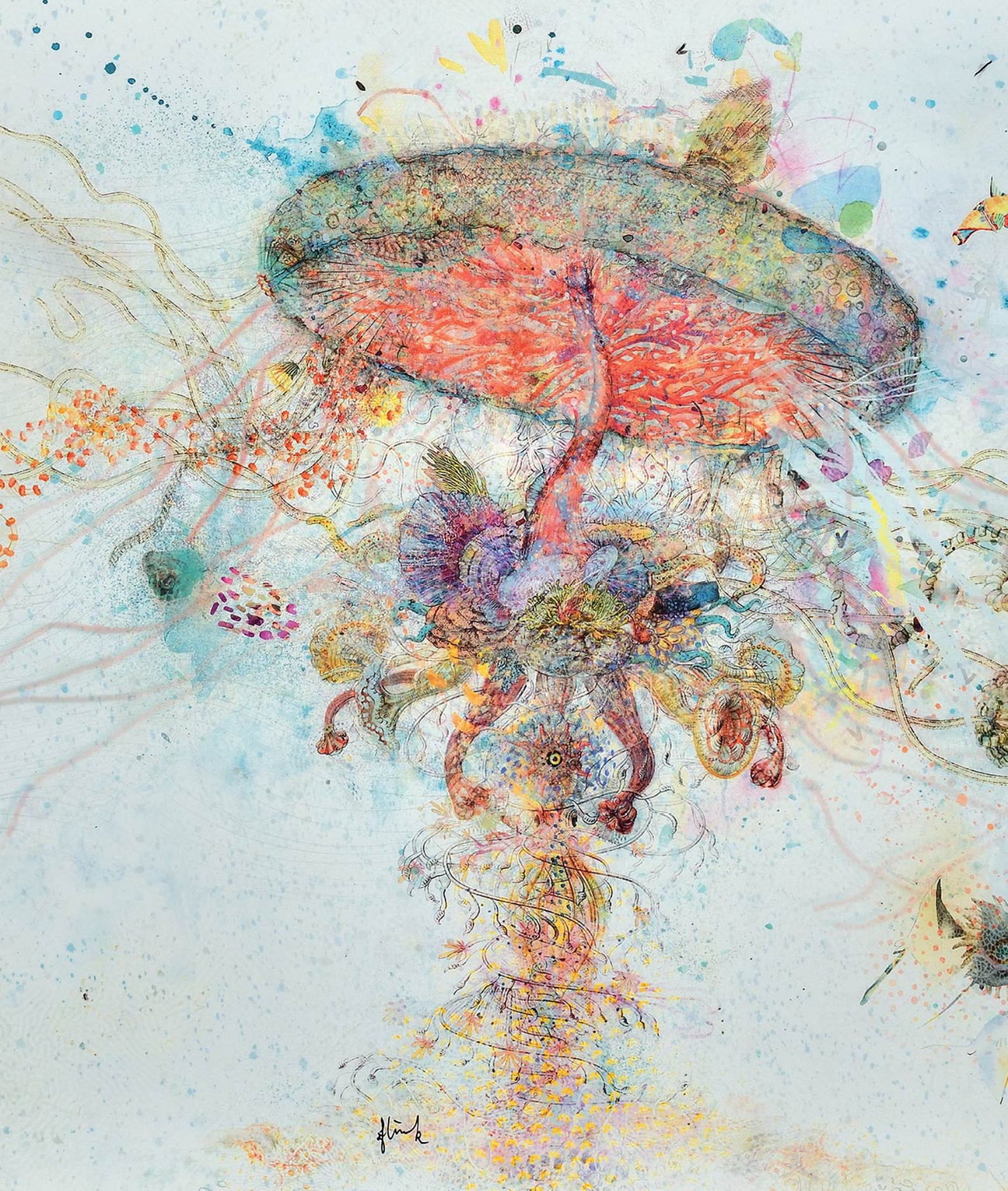
MCB Consulting continued to sponsor sporting activities such as hiking, cycling, kickboxing and various sporting tournaments. This demonstrates the business's ongoing belief in the important role that sport plays in promoting community resilience and well-being. Looking forward, MCB Consulting is focused on investing in a culture development programme that will be rolled out across the business to create awareness on the importance of promoting and preserving cultural heritage.

### PRIORITIES FOR THE YEAR AHEAD



- Develop our sustainable finance framework, including the necessary governance structures to support its implementation across the Group
- Structure and deploy the Rs 5 billion credit line
- Continue to create awareness about the importance of reducing our operational footprint among all employees across the Group
- Reinforce our existing partnerships with MWF and Ebony Forest – including renewing our existing partnership with MWF and scaling up our support for Ebony Forest
- Continue to support and invest in cultural activities across Mauritius and the region









FIONA N.  
Meet the artist



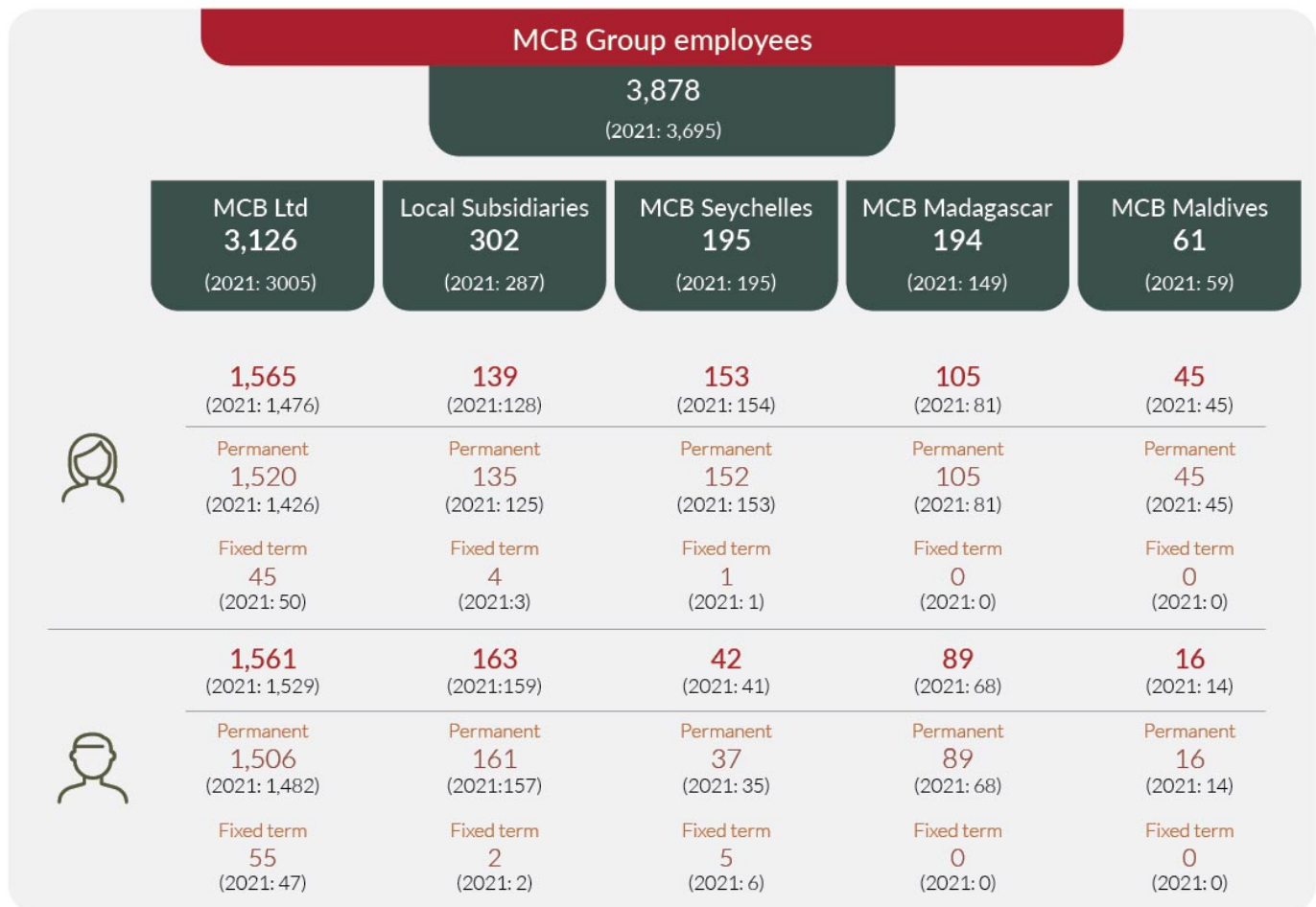
# INDIVIDUAL AND COLLECTIVE WELL-BEING

The Group's business performance is driven by the quality, motivation and commitment of our talent. We remain focused on creating a positive, safe and inclusive working environment with opportunities for career development, underpinned by robust employee engagement. Outside of our operations, we are committed to building enterprising communities.

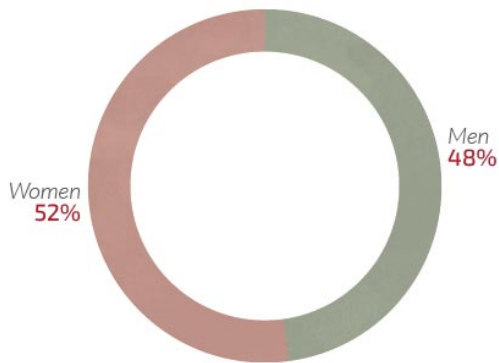
Alignment with SDGs, UNGC, UNEP FI PRB



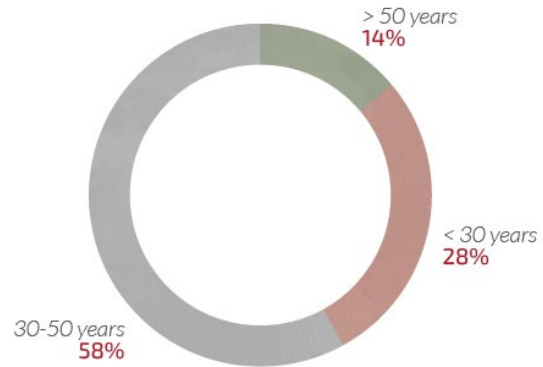
## SUPPORTING OUR EMPLOYEES



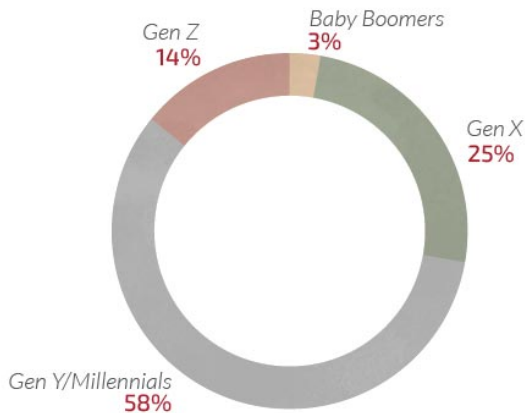
GENDER DISTRIBUTION



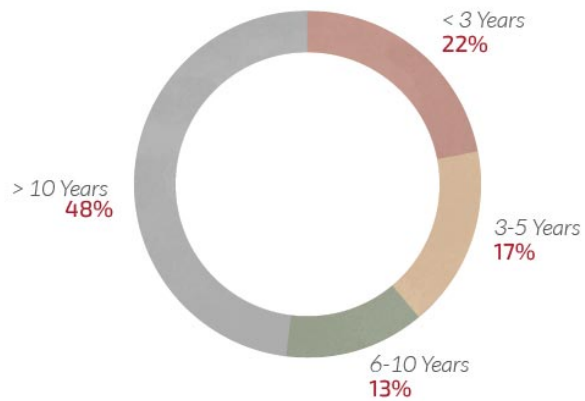
AGE DISTRIBUTION



GENERATION TYPE\*



LENGTH OF SERVICE



|                    | Hire rate       | Retention rate  | Turnover rate   |
|--------------------|-----------------|-----------------|-----------------|
| MCB Ltd            | 9% (2021: 9%)   | 96% (2021: 97%) | 5% (2021: 3%)   |
| Local subsidiaries | 13% (2021: 9%)  | 93% (2021: 91%) | 10% (2021: 9%)  |
| MCB Seychelles     | 13% (2021: 3%)  | 85% (2021: 95%) | 15% (2021: 5%)  |
| MCB Madagascar     | 39% (2021: 11%) | 83% (2021: 87%) | 14% (2021: 13%) |
| MCB Maldives       | 26% (2021: 16%) | 84% (2021: 88%) | 16% (2021: 12%) |
| MCB Group          | 11% (2021: 9%)  | 95% (2021: 96%) | 6% (2021: 4%)   |

\* Generation types include Baby Boomers (individuals born mid-1940s to mid-1960s), Gen X (individuals born mid-1960s to early-1980s), Gen Y/Millennials (individuals born early-1980s to late-1990s) and Gen Z (individuals born late-1990s to early-2010s).



### MANAGING OUR HUMAN CAPITAL AND SIGNIFICANT HUMAN CAPITAL RISKS

We are committed to positioning the Group as an employer of choice. We continue to evolve our talent management approach and human resources (HR) function to ensure these remain responsive to the needs of the business while offering our employees rewarding workplace experiences.

The Head of Human Resources and the newly appointed Head of Culture and Leadership Development drive our human capital strategy, supported by managers who oversee talent management, learning and development, performance management, culture development and remuneration management. We established an HR Strategy Office, which provides oversight of the HR projects and initiatives implemented across the Group to ensure these remain on schedule and deliver the expected benefits and outcomes.

As the Group offers new products and services and continues its expansion in the region, it is critical that we recruit the required skills and competencies to achieve our strategic objectives as well as retain and develop our existing talent. This is challenging as Mauritius has a shortage of specialised skills in some areas. As such, the Group has to ensure it can attract and retain local talent as well as offer a compelling talent proposition to those living abroad. We are therefore focused on embedding innovative and leading HR practices within the organisation.

This includes adopting more flexible HR practices that foster work-life balance and are responsive to the shift in generations among our staff. Our key initiatives are reviewed in detail throughout the rest of this chapter.

### WORKFORCE DIVERSITY AND INCLUSION

The Group believes in equal opportunity for all employees.

**In 2013 we developed an Equal Opportunity Policy**

This policy states that all employees should have the opportunity to use their talents, skills, experience, and competencies. It declares that employees should feel respected and valued regardless of their status, such as age, caste, colour, creed, ethnic origin, impairment, marital status, place of origin, political opinion, race, sex, or sexual orientation.

**In 2019, we committed to increase women in management**

Our objective is to have at least 40% of women at middle and senior management levels within MCB Ltd by 2026. This includes women at Business Manager, Business Leader and Business Executive levels. We set up a working group to execute this strategic priority.

**In 2021, we established the Gender Equality Charter**

The MCB Gender Equality Charter demonstrates its commitment to implementing and promoting gender-related practices. Of note, we also participated in 2019 in the Gender Diversity Charter of the Africa CEO Forum Women Working for Change.

Our objective to have 40% women in management by 2026 is being driven by the gender working group, which is composed of colleagues from several business units. The working group identifies and implements key initiatives, which enforce the principles of the MCB Gender Equality Charter.

Our Gender Equality Charter consists of nine principles, which drives the gender action plan, which is built on the outcome of the gender equality self-assessment conducted by the Agence Française de Développement in 2019. Below we unpack some of the key initiatives and projects implemented during the year.

### PRINCIPLE 1

**Raise awareness and establish leadership commitment to gender equality and attempt to reduce unconscious bias at all levels and in every action.**

- Our leadership participated in Allies for Change workshops, which aimed to create awareness of unconscious bias and strengthen their ability to advance gender equality and women's empowerment within the organisation
- We offered our people managers customised training on the subject of 'Women in Leadership' via our Lead with Impact Academy

### PRINCIPLE 2

**Aim to have a gender-balanced shortlist of candidates and selection panel in every recruitment exercise and treat all candidates fairly and without discrimination.**

- We are enhancing our recruitment process to better integrate gender-sensitive language and reduce gender-bias in job advertisements, during the selection process and among the assessment panel

### PRINCIPLE 3

**Promote a safe workplace free from any form of violence, bullying or harassment on any ground, be it of age, gender, race, religion or sexual orientation for both men and women.**

- We developed a Workplace Violence Procedure and Policy, which sets out what we are doing to promote a safe workplace as well as what we expect of our employees. To ensure our employees are informed about this procedure and policy, we organised awareness sessions with the leadership and people managers and shared an educational video via our online learning platform for all employees

### PRINCIPLE 4

**Ensure fair and equitable pay based on performance, with equal pay for equal work, irrespective of gender.**

- We continue to monitor the gender pay gap across the Bank to ensure minimal gaps at all levels. We are currently enhancing the pay gap calculation methodology and will consequently be ready to communicate on this in coming years. Read more about our approach to fair and responsible remuneration on page 38



### PRINCIPLE 5

**Provide professional development and coaching to women employees to help them advance in Managerial and Leadership roles.**

- We launched a 'Women in Leadership' programme, which aims to equip women with the skills and competencies to fulfil managerial roles. The programme was designed and delivered by the Charles Telfair Institute. The first cohort of 20 women has started the course and we will welcome two more cohorts in the financial year 2022-2023
- We launched the first 'Lean In Circle' for MCB women leaders and will launch more 'Lean In Circles' for women in the upcoming financial year. This initiative is based on the principles of LeanIn.Org, which aims to help women achieve their ambitions. We have organised awareness sessions across the Group and trained 40 Circle leaders to ensure that they can effectively facilitate meaningful, high-impact conversations with around 300 women in their respective circles

### PRINCIPLE 6

**Provide flexibility to employees to create a work schedule that balances work and personal life as well as cater for their personal commitments.**

- We doubled paternity leave from five statutory days to 10 days and extended the facility to unmarried fathers. We also extended maternity period from 14 to 18 weeks with 2 additional weeks for employees giving birth to multiple babies or as from their third child. In cases of adoption, maternity and paternity leave are applicable to children up to three years old. We introduced maternity and paternity leave where children are fostered by employees. Maternity and paternity leaves are at full pay
- We offer lactation rooms at six MCB sites in Mauritius to encourage new mothers to continue breastfeeding

### PRINCIPLE 7

**Collaborate with external partners to empower women entrepreneurs through mentorship and networking opportunities to help support their business activities**

- We have a long-standing partnership with Association Mauricienne des Femmes Chefs d'Entreprise (AMFCE), which brings together women business-owners from all sectors of the Mauritian economy to support the development and advancement of women. Read more about our work with AMFCE on page 44

### PRINCIPLE 8

**Partner with NGOs to advocate for equality for women and girls in Mauritius and provide support to help them progress at different levels.**

- We undertake various initiatives to empower women and girls through the MCB Forward Foundation. Read more on the actions driven by the MCB Forward Foundation on pages 83-85

### PRINCIPLE 9

**Monitor gender diversity indicators and targets, and periodically report on implementation to the highest level in the company, board or shareholders and to all employees.**

- We provided all Heads of MCB's business units with a dashboard to track and report specific gender-related data. This enables them to assess their progress and identify areas of improvement

Key members of the Gender Working Group who are driving the gender initiatives across the organisation



*Odile Aliphon, Human Resource SBU*

I am proud to be part of the Gender Working Group, which serves as a cross-functional team to research and implement initiatives that will enhance gender equality across MCB Group. It has been wonderful to see the support that MCB Group has provided for the Gender Working Group and the importance it has placed on advancing our gender equality agenda. This support has enabled us to implement many positive changes for working parents and to empower women throughout our organisation. We hope that we will be able to do much more in the upcoming years and inspire other organisations across Mauritius to join us in doing more to advance gender equality.

*Dominique Sullivan-Frederic, Human Resource SBU*

The Gender Working Group plays a critical role ensuring that gender equality and women empowerment remain at the forefront of MCB Group's people agenda, while creating awareness and support among our colleagues and external stakeholders. We are proud to have pioneered many meaningful women-led initiatives during the year. Looking ahead, our objective is to continue raising awareness of the importance of gender equality. We also want to work with women across MCB Group to better equip them to overcome professional and personal obstacles to their growth and development.



*Anne Claire Antoinette, Sustainability - Marketing & Communication SBU*

The Gender Working Group has been critical to help us gain momentum on our Gender Action Plan, driven by the dedication and hard work of the working group team members. In particular, having a team of colleagues with diverse expertise, backgrounds, experience and knowledge has enriched our conversations and enabled us to take focused and purposeful action to bridge the most significant gaps between our ambitions and reality. In the year ahead we hope to see things progressing positively, with more colleagues onboarded on this important journey.



## INDIVIDUAL AND COLLECTIVE WELL-BEING



### Gender equality progress (MCB Ltd)

Target: 40% women at middle and senior management levels by 2026



2020: 27%  
2021: 30%  
2022: 29%  
2026 (Target): 40%

### WORKFORCE DIVERSITY BY JOB POSITION (MCB LTD)

|                       |  |  |
|-----------------------|---|---|
| Business Executive    | 0% (2021: 0%)   | 100% (2021: 100%)   |
| Business Leader       | 24% (2021: 27%)   | 76% (2021: 73%)   |
| Business Manager      | 31% (2021: 31%)   | 69% (2021: 69%)   |
| Business Professional | 43% (2021: 43%)   | 57% (2021: 57%)   |
| Business Associate    | 51% (2021: 46%)   | 49% (2021: 54%)   |
| Business Support      | 67% (2021: 67%)   | 33% (2021: 33%)   |
| Technical             | 1% (2021: 1%)   | 99% (2021: 99%)   |



We have implemented several initiatives which will help to reinforce the pipeline of female talents, reduce unconscious bias and provide enhanced support to women and working parents among others. Although these initiatives are instrumental in creating a workplace conducive to enhanced gender equality, their impact on the representation of women in middle and senior management will be visible in the medium to long term. We are committed to analysing the causes and eliminating the barriers that may slow the progress of women in the organisation so that we can positively progress towards our target.



We launched Allies for Change workshops, focusing on unconscious bias towards women, in collaboration with Curtin University and the Australian Embassy in Mauritius

## EMPLOYEE ENGAGEMENT

Ensuring that our employees are engaged and motivated is a strategic business objective and critical to the Group's long-term success.

During the year we conducted the Trust Index™, an employee survey administered by the Great Place to Work®. The outcome of the survey informs the development of initiatives to improve workplace culture. The Trust Index™ is used to determine employees' perception concerning management credibility and level of fairness, the extent to which they feel respected and the level of pride they have in their jobs.

Our employee participation rate increased from 59% in 2019 to 68% this year. Our Trust Index™ score was 50% in 2022.

Although the results of the survey showed positive responses in areas namely Pride, Respect and Camaraderie, we have identified a few areas of improvement. The outcomes of the survey are being addressed with management. In the year ahead, our HR team will work with the SBUs to compile a list of initiatives identified as best-in-class by the survey. These initiatives will be rolled out to other SBUs to inspire them to find new and innovative ways to improve employee experience. We will support this with Bank-wide initiatives to increase employee engagement.



### TALENT MANAGEMENT

To build a competent, engaged and future-ready workforce, we continue to invest in talent management initiatives that develop our people's capability.

We are implementing various initiatives across the Group to support key areas of people development:

- **Specialised finance:** we co-create specialised learning programmes with the SBUs to upskill staff, supported by highly-competent professionals who accompany us on this journey. We also leverage our internal capability with our Subject Matter Experts to deliver a few training
- **Financial markets:** employees can obtain an ACI Dealing certification and diploma, which is internationally recognised and accredited by many regulators globally
- **Relationship management:** we are rolling out a development programme in collaboration with Moody's Analytics to upskill our Relationship Managers on customer management, credit analysis, building trust and portfolio risk appreciation, among others
- **Commercial banking and credit analysis:** to help them gain a competitive edge in commercial banking, we offer employees training with the Corporate Finance Institute to advance their knowledge on each step of the lending process, underpinned by real-world analysis skills
- **Compliance:** we offer a continuous Bank-wide refresher course on all applicable policies
- **Trade finance:** we developed a three-phase learning journey that will enable employees to become Certified Trade Finance Professionals with the International Chamber of Commerce
- **Private equity:** employees are being equipped to understand the dynamics of the private equity market either at a foundational or advanced level
- **Securities and Investment:** employees receive a comprehensive overview of investment and professional terminology from a global perspective
- **Customer service:** we offer a bespoke customer service learning programme to our retail employees that includes a combination of online and on-the-job training, with the objective of reinforcing the Group's customer service capabilities

In addition to the above, we continue to invest in our Digital Academy, Lead with Impact Academy and our pioneering Talent Management Programme, 'Grow!'

Our **Digital Academy** was established in 2020 to support the Group's digital transformation journey. It is focused on building the necessary capabilities, mindset and skills to drive digital transformation.

Our **Lead with Impact Academy** aims to upskill our leaders and people managers at all levels within the Group to foster an environment where talent is nurtured and enhanced.

'**Grow!**' focuses on people managers who play a critical role in building and multiplying talent through bespoke development journeys that support stronger succession planning for key strategic roles within the organisation.

We also provide a study assistance scheme to employees wanting to advance their knowledge and obtain additional qualifications. This year we launched the Beyond Numbers Graduate Programme, which has been designed to support our strategic drive to pursue regional diversification by exploring new growth avenues. We will select six graduates to take part in this programme. Each graduate will receive in-depth onboarding that includes gaining a detailed understanding of the Group's operations, products and services. Graduates will then rotate between specific business units namely Credit Management, Financial Risk, Credit Analysis and Structuring and CIB Middle Office. Thereafter they will be positioned in one of these business units.

The Group invested Rs 48 million in employee training for the past financial year (2021: Rs 25.8 million).

Employees continued to make use of our digital learning platform, Percipio, which was launched in December 2020 to encourage our employees to progress on their learning and development journeys.

Percipio online learning platform

We have seen high levels of engagement on the platform since its launch, with 93% of employees who logged on making use of learning and development material.

|  |  |  |   |   |
|--|--|--|---|---|
| <b>88%</b>   | <b>3,212</b>   | <b>23,599</b>  | <b>5.5</b>  | <b>16,621</b>   |
| <b>Employees have accessed the platform</b><br>(2021: 74%)** | <b>Employees are making use of the platform</b><br>(2021: 2,759)** | <b>Learning content completed</b><br>(2021: 17,756)* | <b>Hours per user spent on learning</b><br>(2021: 8)* | <b>Hours spent on learning content</b><br>(2021: 17,806)* |

\* Statistics reflect 1 July 2021 to 30 June 2022

\*\* Statistics since the launch of Percipio (December 2020)

WELL-BEING AT WORK

We believe it is critical to support employee well-being. This includes taking a holistic approach to well-being that considers, among others, work-life balance, stress management and physical and emotional health.

Our Wellness Unit forms part of our HR function and is accountable for wellness-related activities across eight dimensions of employee well-being that include health, physical, emotional, spiritual, social, career, financial, environmental and intellectual. This unit also advises and helps employees on wellness-related subjects.

Key initiatives over the past year

We onboarded two psychologists during the year who are personally available to employees via individual, one-on-one appointments. Additionally, the psychologists undertook awareness sessions with managers on specific topics to better equip them to support their teams. This was supported by videos on mental health that were made available to all employees via a Wellness group 'Nu baz Wellness' on our online collaborative platform, Workplace. These videos provide tips and tools to strengthen mental health and improve mental well-being and resilience.

The 'Nu baz Wellness' group aims to:

- promote awareness around the various dimensions of well-being;
- provide easy access to resources, tools, tips and essential information and helplines to strengthen mental health and improve mental well-being and resilience;
- increase visibility and awareness of well-being focused events, programme or staff offers; and
- create opportunities for employees to provide feedback on our well-being initiatives and approach.

We resumed outdoor activities, such as hiking, which are open to all employees and their families. A wellness health track remains operational at MCB St Jean. Flexible working arrangements remain available to our employees, including flexi-time, staggered working hours, and remote working.

We are also maintaining the MCB Group Employee Solidarity Fund to provide financial assistance to the Group's employees who experience financial hardship due to unexpected and difficult emergency situations.



### EMPLOYEE HEALTH AND SAFETY

We recognise the importance of implementing adequate measures to ensure we provide a healthy and safe working environment.

We proactively manage health and safety risks and implement preventive actions to keep our employees healthy and safe in the workplace. We provide training to employees to ensure they are aware of health and safety matters, understand potential risks and are equipped with knowledge on how to manage these risks.

We also collaborate with Médecin à Domicile, a healthcare organisation that provides medical services to our employees. These services include onsite doctor consultations, remote medical assistance, advice by telephone, and home visits, as and when required.

During the year, MCB Group in Mauritius recorded four (2021:11) injuries that corresponded to 21 (2021: 100) lost workdays, mainly caused by slip and fall.

| MCB Group (Mauritius)       | Men | Women | Total |
|-----------------------------|-----|-------|-------|
| Number of injuries          | 2   | 2     | 4     |
| Number of injury leave days | 9   | 12    | 21    |

## SUPPORTING OUR COMMUNITIES

## MCB FORWARD FOUNDATION

The MCB Forward Foundation (MCBFF) is our corporate social responsibility arm and drives our contribution to support social inclusion and well-being, thereby empowering people and reducing inequalities in society.

During the year, the MCBFF engaged in initiatives across several categories that include socioeconomic development, education and training, health and well-being, environment and sustainable development, supporting people with disabilities, and family protection:



Socioeconomic development

- Significant investment in the **MCB Football Academy (MCBFA)**, which promotes an environment conducive to child development through sport and education
- Support to the **Centre de Solidarité**, which provides substance abusers with treatments and services that include prevention and residential care
- Support to **'Vent d'un Rêve'**, an organisation which offers courses in music and art to children



Educational support and training

- Collaborating to set up Mauritius' **first training centre on palliative care**, including creating access to online resources and sharing experiences via conferences with international practitioners
- Supporting **Action For Integral Human Development**, which aims to promote and improve individual emotional, social and psychological well-being via an online service
- Ongoing investment in the **MCB Rodrigues Scholarship** (37 students from Rodrigues have received scholarships since 2000)
- Ongoing support to the **'École Familiale de l'Ouest'**, an educational centre for young people aged 14 to 18 who have dropped out of school



Health and well-being

- Supporting **Link to Life**, a cancer support centre, by covering the salaries of those who provide psychological support to women with breast cancer
- Helping beneficiaries of the **Muscular Dystrophy Association** by providing access to more comfortable beds



Environment and sustainable development

- Working with **Save Our Rivers Ecosystem** to clean up Rivière Pistache in Rodrigues
- Ongoing support to **Shoals Rodrigues**, which provides scientific research, marine education, and community outreach and support to conserve Mauritius' marine ecosystem and support the sustainable development of Rodrigues



Supporting people with disabilities

- Support for the crucial work of the **Association Pour l'Education Des Enfants Défavorisés**
- Providing technical support to **Association de Parents d'Enfants Inadaptés de l'Île Maurice**
- Providing equipment and assisting with school fees for children who are cared for by **Association des Parents Pour la Réhabilitation des Infirmes Moteurs**



Family protection

- Supporting **SOS Femmes** by renovating one of their shelters, with the association providing support and accommodation to women and their children who are survivors of domestic violence and gender-based violence



## INDIVIDUAL AND COLLECTIVE WELL-BEING



The 'Boutique Solidaire' opened in Camp Leveux is helping families still struggling with the financial impact of COVID-19



The ladies of the agroecological community farm of Riche-en-Eau have followed organic farming training and are currently producing a variety of crops

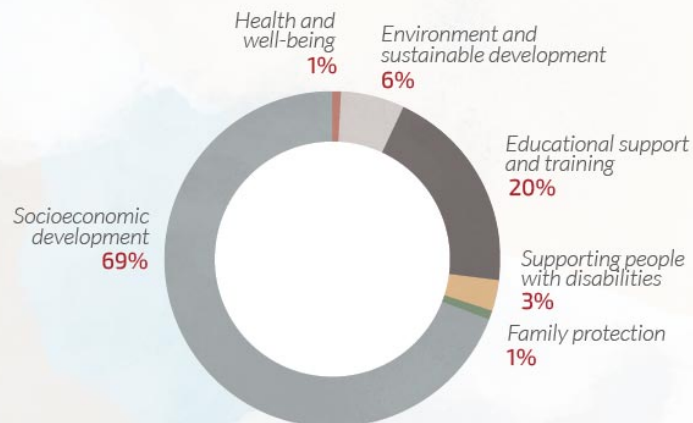


Our partners in Rodrigues have organised various clean-up initiatives mainly for the removal of microplastics on beaches



Rs 56 million (FY2021: Rs 54.7 million) was entrusted to the MCBFF for the past financial year together with Rs 30 million carried forward from FY2021. The MCBFF spent Rs 63.5 million (FY2021: Rs 38.5 million) on 40 (FY2021: 19) projects.

### PROJECTS FUNDED BY THE MCB FORWARD FOUNDATION



## COMMUNITY SUPPORT IN ACTION

### Creating employment opportunities through the MCB Football Academy

The MCBFF is building on its long-standing investment in the MCB Football Academy by collaborating with the Group to create employment opportunities for beneficiaries and their families through a full-time, work-orientated life skills programme. The MCBFF is also working with Business Banking to identify clients with businesses that could benefit from the skills of unemployed adults involved with the MCB Football Academy. Ultimately, the aim of MCBFF is to generate permanent employment for these adults.

To date, 20 enterprises and 12 participants have been identified for the programme.

### Providing support to families recovering from the impact of COVID-19

Families are still struggling with the impact of COVID-19, which resulted in many people either losing employment or experiencing reduced purchasing power. To support affected families, the MCBFF collaborated with various strategic partners to initiate the 'La Boutique Solidaire' project in the region of Camp Levieux. This project provides families with financial support as well as the opportunity to purchase household necessities at much-reduced prices.

### Empowering women through income-generating opportunities

Last year, the MCBFF set up a two-acre, agroecological community farm in the region of Riche-en-Eau for a team of eight women who received training in organic farming. This was supplemented by a capital investment of Rs 180,000 to help them prepare the farm and purchase seeds. The women have now started cultivating and harvesting crops, which include carrots, radish, coriander, lettuce, parsley and bok choy.

### Addressing poverty in communities outside Mauritius

MCB Madagascar partnered with the Adventist Development and Relief Agency (ADRA), a global humanitarian organisation that delivers relief and development to individuals in more than 118 countries. Together, MCB Madagascar and ADRA supported 600 vulnerable households in Fokontany by providing resources to address food insecurity. This included:

- Distributing soap, rice, beans, and oil
- Installing three water points, equipped with solar-powered pumps
- Distributing seeds to farmers, supported by training and identifying farmers to manage the surrounding plantations

We estimate that 3,600 individuals benefitted from this initiative.



### ACTIONS TAKEN BY OTHER SUBSIDIARIES TO SUPPORT EMPLOYEES

#### *MCB Seychelles*

During the year, MCB Seychelles continued to offer various learning and development programmes to its employees. This included training for retail banking employees as well as leaders across the business. In addition, MCB Seychelles offered several new programmes such as offering employees the opportunity to access the organisation's talent management programme, Grow!. MCB Seychelles also launched a new performance management system to ensure regular assessment of performance and talent development. In addition to learning and development, MCB Seychelles supported employee well-being by offering free medical tests, awareness sessions on mental resilience, team building activities as well as group and individual life and business coaching. The business also refreshed its Equal Opportunity Policy.

#### *MCB Maldives*

In addition to various activities to promote employee engagement, such as interoffice gatherings and activities, MCB Maldives was focused on supporting employees through training and development programmes. These programmes included, among others, focused training, coaching and empowerment initiatives for retail employees. MCB Maldives continued to promote the use of the Bank's online training platform, Percipio, to develop employees' soft skills. To support succession planning, the business identified critical positions across the business and offered targeted training for employees in line for key positions within MCB Maldives. This included enrolling several employees in the Bank's talent management programme, Grow!.

#### *MCB Consulting*

MCB Consulting initiated various activities during the year to promote employee engagement. These included, for example, creating opportunities for employees to share news, motivational messages or personal events with other members of their teams to create a greater sense of belonging and unity within teams. The business enhanced its intern onboarding process, including creating opportunities for interns to engage with employees from different departments as well as interact with the CEO of MCB Consulting through dedicated sessions. MCB Consulting continued to offer learning and development programmes to upskill and motivate its employees. This included offering certifications to enhance customer management and engagement. Other programmes to support employees included investment in sport and well-being initiatives, including free health checks and flexible working arrangements to support physical and mental well-being.

### ACTIONS TAKEN BY OTHER SUBSIDIARIES TO SUPPORT COMMUNITIES

#### *MCB Madagascar*

MCB Madagascar donated Rs 3 per kilometre covered by each trail runner who took part in the 12<sup>th</sup> edition of the L'Ultra Trail des Ô Plateaux (UTOP). UTOP is an annual trail run across Madagascar's central highlands that has been ongoing since 2009. All money raised was donated to ADRA as part of its Rise Against Hunger programme. Through this programme, ADRA distributes meals to school canteens in two remote villages that fall along the UTOP trail.

#### *MCB Consulting*

In collaboration with the MCB Forward Foundation, MCB Consulting entered into a three-year partnership with Caritas Solitude. Caritas Solitude is a solidarity network of more than one thousand volunteers who serve roughly 50,000 direct and indirect beneficiaries throughout Mauritius and Rodrigues. In addition, MCB Consulting supported the activities of the MCB Forward Foundation by providing pro bono assistance with its accounting and auditing requirements. MCB Consulting, through its finance team further provided technical and financial expertise to Ebony Forest's operations team, and has also hired a person from the first MCBFA's cohort since its launch.

## PRIORITIES FOR THE YEAR AHEAD



- Rollout Allies for Change Workshops among our people managers to strengthen leadership accountability and ownership across the Group
- Introduce new Women Leadership Development Programmes to equip women with leadership competencies that will prepare them for management
- Rollout 'Lean In Circles' across the organisation, providing a safe space for women to share and learn from each other
- Launch compulsory training for all employees on workplace violence and unconscious bias
- Build the capacity of our people and align our acquisition strategy with our strategic priorities
- Develop capabilities in specialised areas and upskill our people in critical skills
- Strengthen leadership across the Group, focusing on women in leadership and high-potential employees
- Implement our wellness calendar, which includes initiatives for our eight identified dimensions of well-being











# ADDITIONAL INFORMATION

## GRI CONTENT INDEX

MCB Group has reported the information cited in this GRI content index for the period 1 July 2021 to 30 June 2022 with reference to the GRI Standards - GRI 1: Foundation 2021.

| GRI STANDARD                    | DISCLOSURE   | LOCATION  |
|---------------------------------|--|---|
| GRI 2: General Disclosures 2021 | 2-1 Organisational details   | Pages 8 and 10  |
|                                 | 2-2 Entities included in the organisation's sustainability reporting             | Page 8 with a particular focus on MCB Ltd, MCB Seychelles, MCB Madagascar, MCB Maldives and MCB Consulting                                      |
|                                 | 2-3 Reporting period, frequency and contact point                                | Page 8  |
|                                 | 2-4 Restatements of information  | There are no restatements of information.   |
|                                 | 2-5 External assurance   | The organisation has decided not to seek external assurance for the report.   |
|                                 | 2-6 Activities, value chain and other business relationships                     | Pages 24-33 - MCB Group Limited Annual Report 2022 available on <a href="http://mcb.link/reports">http://mcb.link/reports</a>                   |
|                                 | 2-7 Employees  | Pages 72-73   |
|                                 | 2-8 Workers who are not employees  | The organisation will provide detailed information when it is ready.  |
|                                 | 2-9 Governance structure and composition   | Pages 26-27;<br>Page 102 - MCB Group Limited Annual Report 2022 available on <a href="http://mcb.link/reports">http://mcb.link/reports</a>      |
|                                 | 2-10 Nomination and selection of the highest governance body                     | Pages 100-103 - MCB Group Limited Annual Report 2022 available on <a href="http://mcb.link/reports">http://mcb.link/reports</a>                 |
|                                 | 2-11 Chair of the highest governance body  | Pages 101-103 - MCB Group Limited Annual Report 2022 available on <a href="http://mcb.link/reports">http://mcb.link/reports</a>                 |
|                                 | 2-12 Role of the highest governance body in overseeing the management of impacts | Pages 26-27;<br>Pages 101-103 - MCB Group Limited Annual Report 2022 available on <a href="http://mcb.link/reports">http://mcb.link/reports</a> |
|                                 | 2-13 Delegation of responsibility for managing impacts                           | Pages 26-27;<br>Pages 101-103 - MCB Group Limited Annual Report 2022 available on <a href="http://mcb.link/reports">http://mcb.link/reports</a> |
|                                 | 2-14 Role of the highest governance body in sustainability reporting             | Pages 26-27;<br>Pages 101-103 - MCB Group Limited Annual Report 2022 available on <a href="http://mcb.link/reports">http://mcb.link/reports</a> |
|                                 | 2-15 Conflicts of interest   | Page 123 - MCB Group Limited Annual Report 2022 available on <a href="http://mcb.link/reports">http://mcb.link/reports</a>                      |
|                                 | 2-16 Communication of critical concerns  | Critical concerns (if any) are channelled to internal stakeholders.   |
|                                 | 2-17 Collective knowledge of the highest governance body                         | Page 55;<br>Page 130 - MCB Group Limited Annual Report 2022 available on <a href="http://mcb.link/reports">http://mcb.link/reports</a>          |
|                                 | 2-18 Evaluation of the performance of the highest governance body                | Page 131 - MCB Group Limited Annual Report 2022 available on <a href="http://mcb.link/reports">http://mcb.link/reports</a>                      |
|                                 | 2-19 Remuneration policies   | Pages 119-120 - MCB Group Limited Annual Report 2022 available on <a href="http://mcb.link/reports">http://mcb.link/reports</a>                 |

| GRI STANDARD                            | DISCLOSURE   | LOCATION  |
|---|--|---|
| GRI 2: General Disclosures 2021         | 2-20 Process to determine remuneration   | Pages 119-120 - MCB Group Limited Annual Report 2022 available on <a href="http://mcb.link/reports">http://mcb.link/reports</a>               |
|   | 2-21 Annual total compensation ratio   | The organisation will communicate on this ratio when it is ready.   |
|   | 2-22 Statement on sustainable development strategy   | Pages 6-7, 14-21  |
|   | 2-23 Policy commitments  | Page 34   |
|   | 2-24 Embedding policy commitments  | Page 34   |
|   | 2-25 Processes to remediate negative impacts   | Page 34   |
|   | 2-26 Mechanisms for seeking advice and raising concerns  | Page 34   |
|   | 2-27 Compliance with laws and regulations  | Page 34   |
|   | 2-28 Membership associations   | Page 22;<br>Mauritius Bankers Association, Business Mauritius, Economic Development Board and other institutions                              |
|   | 2-29 Approach to stakeholder engagement  | Pages 30-31;<br>Pages 49-62 - MCB Group Limited Annual Report 2022 available on <a href="http://mcb.link/reports">http://mcb.link/reports</a> |
| 2-30 Collective bargaining agreements   | 60% of employees are covered by collective bargaining agreements (excluding overseas subsidiaries) |   |
| GRI 3: Material Topics 2021             | 3-1 Process to determine material topics   | Pages 22-23   |
|   | 3-2 List of material topics  | Pages 24-25   |
|   | 3-3 Management of material topics  | Pages 22-25   |
| GRI 201: Economic Performance 2016      | 201-1 Direct economic value generated and distributed  | Page 11   |
| GRI 203: Indirect Economic Impacts 2016 | 203-2 Significant indirect economic impacts  | Pages 42-47, 65-69, 83-86   |
| GRI 204: Procurement Practices 2016     | 204-1 Proportion of spending on local suppliers  | Page 50   |
| GRI 205: Anti-corruption 2016           | 205-1 Operations assessed for risks related to corruption  | Pages 35-36   |
|   | 205-2 Communication and training about anti-corruption policies and procedures                     | Pages 35-36   |
|   | 205-3 Confirmed incidents of corruption and actions taken  | Pages 35-36   |
| GRI 207: Tax 2019                       | 207-1 Approach to tax  | Page 36   |
|   | 207-2 Tax governance, control, and risk management   | Page 36   |
|   | 207-3 Stakeholder engagement and management of concerns related to tax                             | Page 36   |
|   | 207-4 Country-by-country reporting   | Page 36   |



## ADDITIONAL INFORMATION

| GRI STANDARD                                  | DISCLOSURE   | LOCATION   |
|---|--|--|
| GRI 302: Energy 2016                          | 302-1 Energy consumption within the organisation   | Page 61  |
|   | 302-3 Energy intensity   | Page 61  |
|   | 302-4 Reduction of energy consumption  | Page 61  |
| GRI 303: Water and Effluents 2018             | 303-5 Water consumption  | Page 62  |
| GRI 304: Biodiversity 2016                    | 304-3 Habitats protected or restored   | Page 65  |
|   | 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations | Page 65  |
| GRI 305: Emissions 2016                       | 305-1 Direct (Scope 1) GHG emissions   | Page 60  |
|   | 305-2 Energy indirect (Scope 2) GHG emissions  | Page 60  |
|   | 305-3 Other indirect (Scope 3) GHG emissions   | Page 60  |
|   | 305-5 Reduction of GHG emissions   | Pages 60-61  |
| GRI 306: Waste 2020                           | 306-3 Waste generated  | Page 64  |
|   | 306-4 Waste diverted from disposal   | Page 64  |
| GRI 401: Employment 2016                      | 401-1 New employee hires and employee turnover   | Page 73  |
|   | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees         | Page 38  |
| GRI 403: Occupational Health and Safety 2018  | 403-1 Occupational health and safety management system   | Page 82  |
|   | 403-2 Hazard identification, risk assessment, and incident investigation   | Page 82  |
|   | 403-3 Occupational health services   | Pages 81-82  |
|   | 403-4 Worker participation, consultation, and communication on occupational health and safety                    | Page 82  |
|   | 403-5 Worker training on occupational health and safety  | Page 82  |
|   | 403-6 Promotion of worker health   | Pages 81-82  |
|   | 403-9 Work-related injuries  | Page 82  |
| GRI 404: Training and Education 2016          | 404-2 Programs for upgrading employee skills and transition assistance programs                                  | Pages 80-81  |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees   | Pages 72-73;<br>Page 114 - MCB Group Limited Annual Report 2022 available on <a href="http://mcb.link/reports">http://mcb.link/reports</a> |
| GRI 406: Non-discrimination 2016              | 406-1 Incidents of discrimination and corrective actions taken   | Pages 37, 74   |
| GRI 408: Child Labor 2016                     | 408-1 Operations and suppliers at significant risk for incidents of child labor                                  | Pages 37, 74   |

| GRI STANDARD                             | DISCLOSURE   | LOCATION               |
|--|--|------------------------|
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor     | Pages 37, 74           |
| GRI 413: Local Communities 2016          | 413-1 Operations with local community engagement, impact assessments, and development programs     | Pages 44, 66-69, 83-86 |
| GRI 415: Public Policy 2016              | 415-1 Political contributions  | Page 34                |
| GRI 417: Marketing and Labeling 2016     | 417-1 Requirements for product and service information and labeling                                | Pages 45-47, 56-59     |
| GRI 418: Customer Privacy 2016           | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Page 35                |



### COMPLIANCE WITH THE UNGC PRINCIPLES - MCB LTD

#### COMMUNICATION ON PROGRESS FOR THE FINANCIAL YEAR 2021-2022

This Sustainability Report 2022 shows our progress and commitment with regard to the integration of the ten principles of the UNGC principles across MCB Ltd.

### HUMAN RIGHTS PRINCIPLES

The Group ensures that human rights aspects are integrated throughout its value chain. We continuously engage with our key stakeholders at all levels, including employees, customers, suppliers and the communities we serve, to mitigate any potential risk related to human rights. The application of the Equator Principles to project financing also contributes to uphold human rights. To ensure compliance with the Equator Principles, the Bank has established an Environmental and Social Risk Policy to guide its various teams and engage with customers, thereby being proactive in risk management.

Further details in this regard are highlighted in MCB Group Sustainability Report 2022.

- Our governance approach to sustainability (Remuneration, Corporate Governance, Ethics and Sustainability Committee) - Pages 26-27
- Environmental and social risk management - Pages 32-33
- Protecting human rights - Page 37
- Promoting financial literacy and inclusion - Pages 46-47
- Promoting local procurement - Page 50
- Culture - Pages 66-67
- Managing our human capital and significant human capital risks - Page 74
- Employee engagement - Page 79
- Talent management - Pages 80-81
- Well-being at work - Page 81
- Our approach to fair and responsible remuneration - Page 38
- Supporting our communities - Pages 83-86

## LABOUR PRINCIPLES

We have always focus on creating a positive and comfortable environment to promote people growth while strengthening employee engagement.

Read more in MCB Group Sustainability Report 2022:

- [Managing our human capital and significant human capital risks](#) - Page 74
- [Employee engagement](#) - Page 79
- [Workforce diversity and inclusion](#) - Pages 72-73, 74-78

Child labour is prohibited in Mauritius. In accordance with existing labour laws, the Bank does not employ young persons below 18 years. Similarly, MCB has zero tolerance to forced and compulsory labour.

Employees of the Bank are free to join the MCB Employees' Association, which is the trade union operating as per the national regulations - Worker's Rights Act 2019. MCB has also established a Grievance Policy to help employees engage with their hierarchical manager before soliciting the assistance of the Employees Association to solve any unsatisfactory matter. 60% of MCB Ltd's employees were covered by collective bargaining agreements (excluding overseas subsidiaries) for the period 1 July 2021 to 30 June 2022.

## ENVIRONMENTAL PRINCIPLES

As a financial institution, MCB Ltd has an important role in preserving the natural capital wherever it operates, through the management of its direct impacts and encouraging its customers to adopt sustainable practices.

Read more in MCB Group Sustainability Report 2022:

- [Vibrant and sustainable local economies \(Responsible finance that supports economic growth and development\)](#) - Pages 43-46
- [Our environmental and cultural heritage](#) - Pages 54-69

## ANTI-CORRUPTION PRINCIPLES

Our strong ethical culture contributes to fostering a responsible organisation, building greater trust and strengthening stakeholder relationships. We ensure compliance with corporate policies, procedures, rules and relevant regulations.

Read more in MCB Sustainability Report 2022:

- [Responsible behaviour](#) - Pages 32-36




## UNEP FI PRINCIPLES FOR RESPONSIBLE BANKING



MCB Ltd became a signatory to the UNEP FI Principles for Responsible Banking in September 2019. These Principles ensure that signatory banks align their business strategy with the SDGs and the Paris Agreement. Additionally, this framework will enable our Bank to respond to the challenges of sustainable development, seize emerging opportunities, and also accompany our customers to positively contribute to the planet and society's well-being. This reporting and self-assessment document has been completed for the financial year 1 July 2021 to 30 June 2022.

### REPORTING AND SELF-ASSESSMENT

#### PRINCIPLE 1: ALIGNMENT

 We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

#### Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

#### Response

MCB Limited, established in 1838 is the leading bank in Mauritius, and is part of the holding company MCB Group Limited, which consists of banking and non-banking subsidiaries and associates. MCB Ltd is actively involved in various markets across sub-Saharan Africa.

The Bank's main business lines serving a diverse range of customers are:

- Corporate and Institutional Banking
- Business Banking (including SMEs)
- Retail Banking
- Private Banking and Wealth Management

The Bank has over one million customers.

We provide loan facilities in the economic sectors such as financial and business services, traders, housing, tourism, agriculture, transport, construction, etc.

#### Links and references

MCB Group Limited Annual Report 2022:  
Corporate profile pages 24-33

MCB Ltd Annual Report 2022:  
Corporate profile pages 24-33  
Sectors financed page 82

Available on  
<http://mcb.link/reports>

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

- Yes
- No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- UN Guiding Principles on Business and Human Rights
- International Labour Organisation fundamental conventions
- UN Global Compact
- UN Declaration on the Rights of Indigenous Peoples
- Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones:  
Bank of Mauritius Guideline on Climate-related and Environmental Financial Risk Management
- Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones:
- None of the above

Response

MCB Group launched 'Success Beyond Numbers', its sustainability engagement in 2018, which covers three pillars: vibrant and sustainable local and regional economies, preservation of environmental and cultural heritage, and individual and collective well-being. Its sustainability strategy is underpinned by the responsible behaviour and governance principles.

Our sustainability strategy supports 11 of the 17 SDGs. These 11 SDGs, which are our priority goals are based on our material issues and are also linked to the country's most salient issues in terms of SDGs.

We have initiated several actions regarding our climate journey during the last financial year, which are enumerated in the Sustainability Report 2022.

Links and references

MCB Group Sustainability Report 2022: pages 22-25, 32, 54



PRINCIPLE 2: IMPACT AND TARGET SETTING



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfil the following requirements/elements (a-d):

- a. Scope:** What is the scope of your bank’s impact analysis? Please describe which parts of the bank’s core business areas, products/ services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

*Response*

*Links and references*

The initial focus of the impact analysis is on MCB Ltd financing activities located in Mauritius. The scope includes the three main lines of business: Retail Banking, Business Banking and Corporate and Institutional Banking (CIB). We have used the UNEP FI impact analysis methodology and tool to conduct the impact analysis. By focusing on the specified scope, we were able to understand the methodology and its outcome. Looking ahead, we will gradually integrate the remaining financing activities that are located in foreign countries. We believe that this exercise is an iterative process, which we will refine and improve as we progress.

- b. Portfolio composition:** Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope
  - i) by sectors & industries for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
  - ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank’s scale of exposure, please elaborate, to show how you have considered where the bank’s core business/major activities lie in terms of industries or sectors.

*Response*

*Links and references*

The three lines of business that were assessed represent 24% of MCB Ltd’s total exposures (funded and unfunded transactions). Data were assessed for the period 1 July 2020 to 30 June 2021.

|                                   | Impact analysis coverage<br>(exposures) |
|-----------------------------------|---|
| Retail Banking                    | 100%                                    |
| Business Banking                  | 84%                                     |
| Corporate & Institutional Banking | 96%                                     |

**c. Context:** What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

*This step aims to put your bank's portfolio impacts into the context of society's needs.*

*Response*

*Links and references*

We have studied the priorities and challenges related to sustainable development for Mauritius to inform the impact analysis and its outcome. We have also interacted with stakeholders from relevant public bodies and the Mauritius Statistics Office.

In line with the national priorities, Mauritius focuses particularly on the following Sustainable Development Goals (SDGs): 1 (No poverty), 4 (Quality education), 13 (Climate action) and 14 (Life below water). Some of the challenges are related to resources efficiency and circular economy as Mauritius relies heavily on imports and there are few initiatives to promote reuse of materials and improve self-sufficiency. Mauritius, as a small island, is vulnerable to the impacts of climate change. Therefore adapting to these situations is critical.

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)? Please disclose.

*Response*

*Links and references*

According to the level of country needs and the Bank's proportion of portfolio, we have prioritised two significant negative impact areas namely climate and resources efficiency/circular economy.

Corporate & Institutional Banking

Business Banking

| Positive Impact               | Negative Impact            |
|-------------------------------|----------------------------|
| Health & Sanitation           | Climate                    |
| Inclusive & Healthy economies | Waste/Resources efficiency |
| Mobility                      | Biodiversity               |

| Positive Impact     | Negative Impact            |
|---------------------|----------------------------|
| Health & Sanitation | Climate                    |
| Culture & Heritage  | Waste/Resources efficiency |
| Mobility            | Biodiversity               |

Retail Banking

| Positive Impact               | Negative Impact            |
|-------------------------------|----------------------------|
| Employment                    | Climate                    |
| Inclusive & Healthy economies | Waste/Resources efficiency |
| Housing                       |                            |



## ADDITIONAL INFORMATION

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**d. Performance measurement:** Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

*The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.*

---

### Response

### Links and references

The use of the UNEP FI impact analysis methodology and tool has been instrumental in understanding the sectors that are generating positive and negative impacts. We conducted a granular assessment of the significant sectors to set the baseline for performance assessment. This exercise has started and is in progress.

Additionally, we have initiated a process to calculate the greenhouse gas emissions of our financed operations. This will provide a baseline for setting targets for 'Climate'.

---

### Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?

|                          |   |                                      |                             |
|--------------------------|---|--------------------------------------|-----------------------------|
| Scope:                   | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Portfolio composition:   | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Context:                 | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Performance measurement: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, climate change adaptation, resource efficiency & circular economy

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
  - Up to 12 months prior to publication
  - Up to 18 months prior to publication
  - Longer than 18 months prior to publication
-

## 2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

- a. Alignment:** which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

*Response*

*Links and references*

We are engaging with colleagues as part of the target setting exercise, but have not yet identified specific targets for the two significant impact areas.

With regard to the 'Climate' impact area, MCB Ltd has a few ongoing initiatives:

- Engaging and collaborating with clients to encourage them to shift to low-carbon technologies
- Stopping all new financing worldwide for coal infrastructure and trade, whether thermal or metallurgical as from 2022
- Stopping the financing of new coal-fired power plants in Mauritius as from 2022
- Deployment of Rs 5 billion credit line for financing renewable energy
- MCB has a partnership with Livelihoods Carbon Fund 3, an impact investment fund focused on financing large-scale projects with positive social and economic impacts for rural communities

- b. Baseline:** Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

*Response*

*Links and references*

The target setting exercise including the determination of baseline and identification of indicators are in progress.

- c. SMART targets** (incl. key performance indicators (KPIs)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

*Response*

*Links and references*

The target setting exercise including the determination of baseline and identification of indicators are in progress.



## ADDITIONAL INFORMATION

**d. Action plan:** which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

*Response*

*Links and references*

We will be able to define the actions as we progress and complete the target setting and identification of KPI.

### Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

|               | ... first area of most significant impact: ... (please name it)  | ... second area of most significant impact: ... (please name it)   | (If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it) |
|---------------|--|--|--|
| Alignment     | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> In progress<br><input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> In progress<br><input type="checkbox"/> No | <input type="checkbox"/> Yes<br><input type="checkbox"/> In progress<br><input type="checkbox"/> No                      |
| Baseline      | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> In progress<br><input type="checkbox"/> No | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> In progress<br><input type="checkbox"/> No | <input type="checkbox"/> Yes<br><input type="checkbox"/> In progress<br><input type="checkbox"/> No                      |
| SMART targets | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> In progress<br><input type="checkbox"/> No | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> In progress<br><input type="checkbox"/> No | <input type="checkbox"/> Yes<br><input type="checkbox"/> In progress<br><input type="checkbox"/> No                      |
| Action plan   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> In progress<br><input type="checkbox"/> No | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> In progress<br><input type="checkbox"/> No | <input type="checkbox"/> Yes<br><input type="checkbox"/> In progress<br><input type="checkbox"/> No                      |

### 2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2<sup>nd</sup> and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

*Response*

*Links and references*

We will be able to report on the progress of the implementation plan in the next reporting cycle.

## PRINCIPLE 3: CLIENTS AND CUSTOMERS



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

## 3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers in place to encourage sustainable practices?

Yes  In progress  No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes  In progress  No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

*This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).*

*Response*

We are committed to supporting our clients on their sustainability and transition journeys and helping them adopt sustainable practices. Moreover, we are structuring our internal process to include the development of a sustainable finance framework.

*Links and references*

MCB Group Sustainability Report 2022:  
Pages 32-33, 43-46, 54, 56-59

## 3.1 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

*Response*

In addition to these Principles, the implementation of the Bank of Mauritius Guideline on climate-related and environmental financial risk management will also inform and guide the identification of business opportunities. This will contribute to increasing the Bank's positive impacts whilst reducing the negative impacts.

We will set up a transition task force that will act as a platform to explore business opportunities to transition to a low carbon and circular economy.

Information about our existing products and our priorities in this area are shown in MCB Group Sustainability Report 2022.

*Links and references*

MCB Group Sustainability Report 2022:  
Pages 32-33, 43-46, 54, 56-59



PRINCIPLE 4: STAKEHOLDERS



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups) you have identified as relevant in relation to the impact analysis and target setting process?

Yes       In progress       No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

*Response*

The Bank continuously engages with its key stakeholders through various channels to understand their requirements and respond to their needs. There have many discussions and collaborations with MCB's colleagues during the impact analysis process and implementation of the principles.

We will consult and engage with more external stakeholders in the coming year as part of the implementation process. We have also attended a few webinars and forums about climate risks and sustainable financing and have also learnt from peer banks on their Principles for Responsible Banking implementation journeys.

*Links and references*

**PRINCIPLE 5: GOVERNANCE & CULTURE**



We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

**5.1 Governance Structure for Implementation of the Principles**

Does your bank have a governance system in place that incorporates the PRB?

- Yes       In progress       No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected),
- as well as remuneration practices linked to sustainability targets.

*Response*

On the governance front, three committees were designated by the Board of Directors of MCB Group to monitor the progress of its sustainability agenda:

- Remuneration, Corporate Governance, Ethics and Sustainability Committee (RCGESC)
- Corporate Sustainability Committee (CSC) - a sub-committee of the RCGESC
- Sustainability Strategic Council (SSC) – a committee at Executive level

Our sustainability team, which has a cross-functional role across the Group, provides advice and guidance on sustainability matters and participates in implementing the sustainability agenda.

*Links and references*

**5.2 Promoting a culture of responsible banking:**

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

*Response*

We organised numerous sessions during the past year to positively influence the employees while promoting knowledge sharing. This includes:

- Climate Fresk workshop
- Environmental and Social Risk Management process awareness
- Raising awareness of local production and consumption through our partnership with 'Made in Moris'

Our employees are informed of key sustainability issues through:

- Our internal communication channel 'Workplace' and 'iZone.'
- Regular dialogue with the sustainability team.

The sustainability team continues to keep abreast of latest information in this regard, which will contribute to knowledge transfer and foster a culture of responsible banking.

*Links and references*



## ADDITIONAL INFORMATION

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### 5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe. Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

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*Response*

*Links and references*

MCB has established an Environmental and Social Risk Policy since 2012 to assess and manage environmental and social risks in financing activities according to the Equator Principles.

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#### Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes  No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes  No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes  In progress  No

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## PRINCIPLE 6: TRANSPARENCY & ACCOUNTABILITY



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

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### 6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes  Partially  No

If applicable, please include the link or description of the assurance statement.

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*Response*

*Links and references*

We have decided to seek external assurance for the next reporting.

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## 6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other: ....

### Response

### Links and references

We structure our sustainability report and disclose sustainability information according to the GRI Standards, UNGC Principles and best practices.

## 6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.

### Response

### Links and references

Looking ahead, we will broaden the scope of the impact analysis and will include our foreign financing activities. We will also communicate on the outcome of the impact analysis across the Bank.

## Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months.

- Setting targets
- Choosing the right performance measurement methodology
- Data availability