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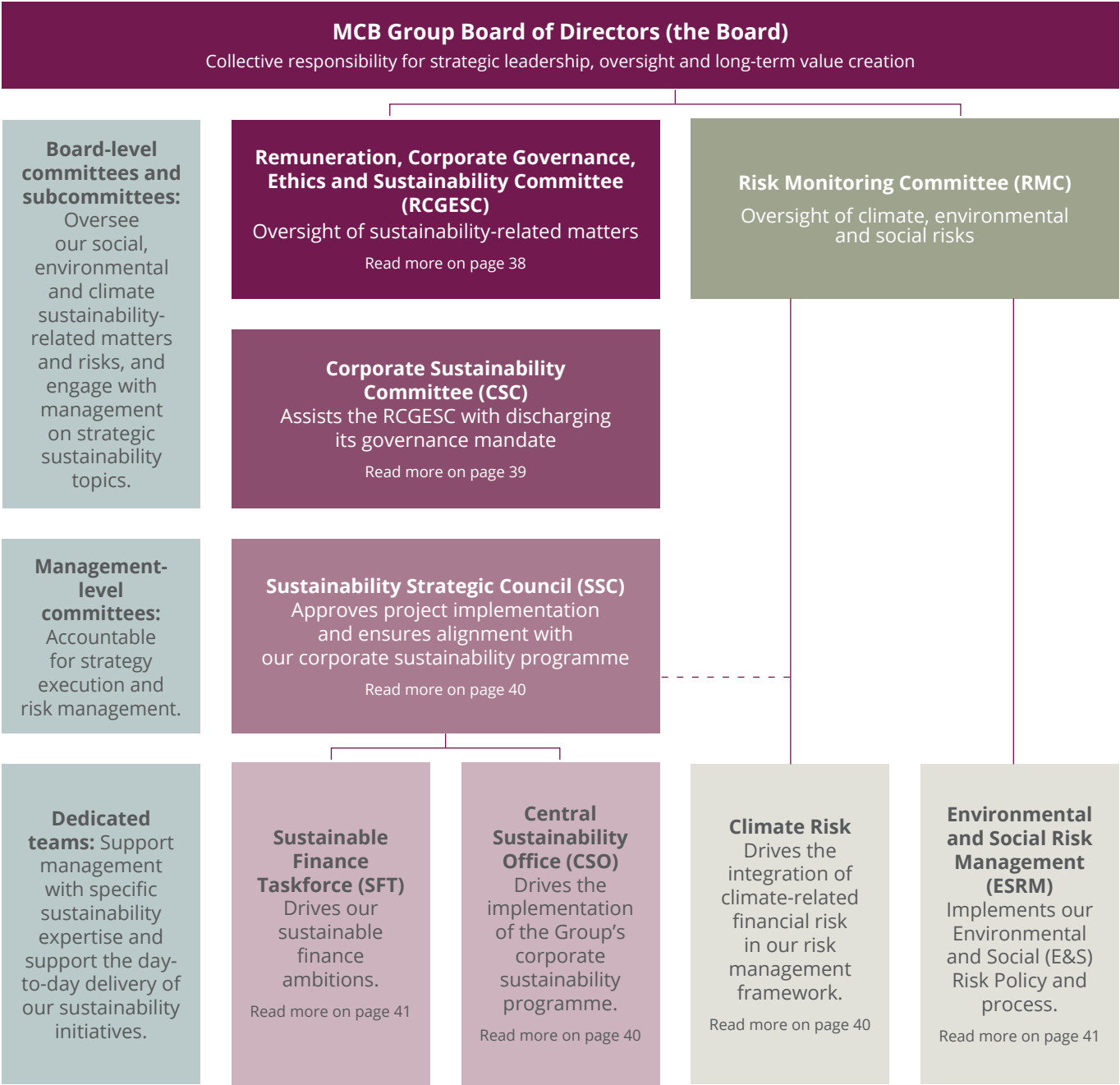
Governance

We believe that good governance is fundamental to fostering long-term business sustainability, creating value for our stakeholders and acting for the good of society.

Our Board sets the tone from the top, embedding purpose-driven and ethical leadership that promotes accountability, transparency, effective risk and performance management, robust internal control, responsible stakeholder engagement and ethical behaviour by all employees. Our Board is supported by a well-defined governance framework, which enables the delegation of authority and clear lines of responsibility while allowing the Board to retain effective control.

We provide a high-level overview of our sustainability governance structure below, highlighting the Board and management committees responsible for overseeing our corporate sustainability programme and guiding decision-making related to climate, environmental and social risks. We provide the details of these committees on the following pages.

An overview of our sustainability governance structure



Key: ■ Oversight of sustainability-related matters ■ Oversight of climate, environmental and social risk

Read more about our governance approach in our corporate governance report, available in our 2025 MCB Group Annual Report.

The ongoing transformation of our governance model

We continuously evolve our governance approach to ensure it remains relevant and responsive to our rapidly changing market conditions. This includes taking steps to ensure that our governance framework provides adequate oversight of current and emerging sustainability risks and opportunities across our value chain. For example, we are implementing an adapted governance framework to cater for climate-related risk management.

Read more about our approach to climate risk on page 54.

We have also initiated a Group-wide working group to assess the implications of aligning to the IFRS Sustainability Standards S1 and S2. While these standards are not yet mandatory in Mauritius, we believe alignment will help us enhance our governance and management of sustainability matters. It will further help ensure that we provide our stakeholders with comprehensive, comparable and consistent sustainability-related financial information. We will provide more details on key milestones as we progress.

The role of the Board

The oversight of ESG-related matters is part of the Board's responsibilities, and members collectively work in setting policies and principles that govern the Group's activities, covering areas such as:

- Establishing the Group's governance-related policies and procedures
- Reviewing risk management, internal control and reporting systems
- Implementing the Group's Code of Ethics and Business Conduct
- Monitoring environmental and social risks in the Group's lending activities
- Integrating sustainability in the Group's business and operations

The Board is supported by six committees, and they each consider ESG matters that may arise. Our RCGESC and RMC are specifically mandated to assist the Board with executing our corporate sustainability programme. Both committees report their findings and recommendations to the Board after every scheduled meeting or at ad hoc committee meetings as needed.

The **RCGESC** reviews and oversees the implementation of the Code of Ethics and Business Conduct and monitors the corporate sustainability programme across the Group. The RCGESC also reviews the composition of the Board, ensuring an adequate structure, a diverse mix of skills and experience and optimal size.

Read more about our RCGESC on page 38.

The **Risk Monitoring Committee** assists the Board in setting up risk mitigation strategies and to assess and monitor the implementation of the risk management process of the MCB Group Limited and all its subsidiaries.

Read more about our Risk Monitoring Committee in our 2025 MCB Group Annual Report

The **Audit Committee** assists the Board in oversight of compliance with laws and regulations, as well as with relevant policies and procedures as set out by the Board.

The **Cyber and Technology Risk Committee** is a newly set up Board Committee established to oversee the management of technology, cybersecurity and data privacy risks within the Group.

The **Corporate Strategy Committee** assists the Board with integrating ESG considerations in the Group's strategy.

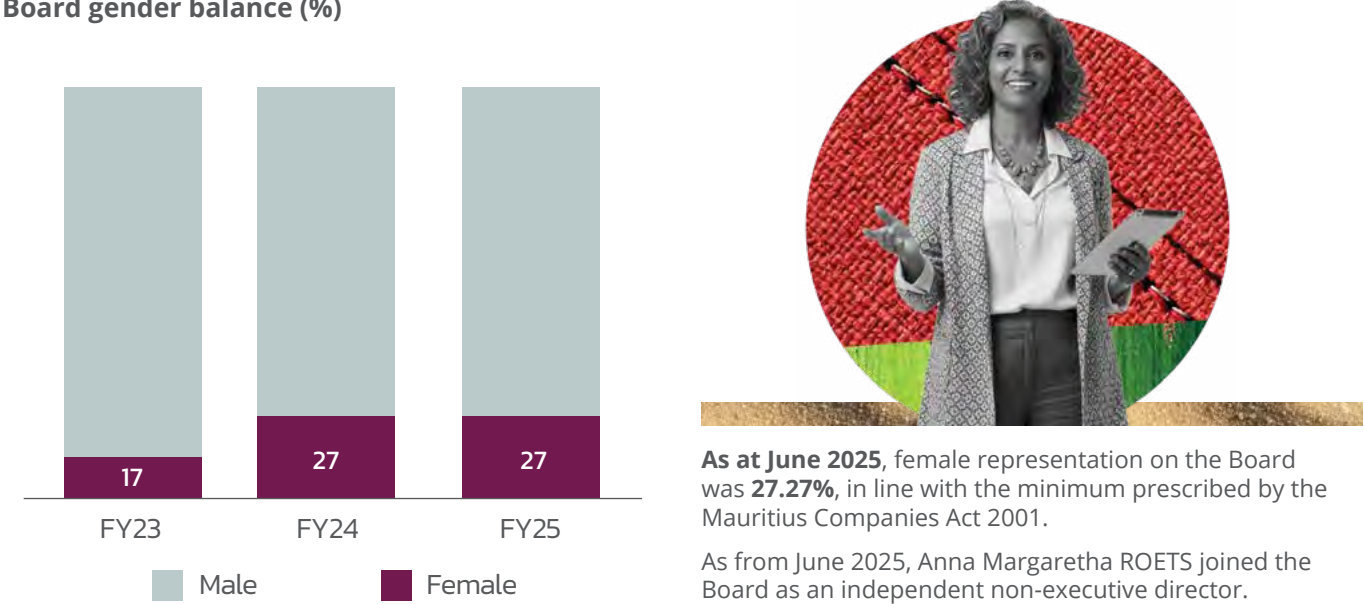
The **Supervisory and Monitoring Committee** oversees and provides guidance for the overall management of the Group, including the deployment of ESG initiatives.

For more information, please refer to our corporate governance report, available in our 2025 MCB Group Annual Report.

Our Board in FY25

The Board recognises the importance of ensuring diversity in its membership to provide the full range of perspectives and insights needed to encourage debate and support good decision-making and strategy execution. The Board diversity profile includes gender, culture, age, knowledge, skills and experience, competencies, philosophies and accomplishments. As at 30 June 2025, the Board consisted of 11 members.

Board gender balance (%)



Read more about changes to the Board's composition in the corporate governance report in our 2025 MCB Group Annual Report.

Focus on sustainability skills and training

We are committed to equipping our Board members with the necessary knowledge, skills and expertise to effectively respond to sustainability-related risks and opportunities. We provide them with appropriate and timely training, including an induction programme for new members and ongoing training tailored to the development needs of directors and aligned with the Group's priorities.

Members of our Board committees leverage their prior knowledge and experience in sustainability to fulfil their responsibilities effectively. Our Chairperson of the CSC, Maya Makanjee, brings extensive experience in sustainability matters such as human resources, stakeholder engagement, corporate citizenship and sustainable development.

This year, as part of our ongoing materiality analysis and to support our efforts to define our key sustainability risks and opportunities, the Board was frequently engaged on key sustainability themes, such as climate change and the importance of protecting and preserving nature.

Read more about our materiality analysis on page 46. Read more about our efforts to foster a culture of environmental awareness on page 109.

The role of the nominated Board committees

Remuneration, Corporate Governance, Ethics and Sustainability Committee

The RCGESC oversees the execution of our corporate sustainability programme. In addition, the RCGESC assists the Board with all remuneration aspects, corporate governance matters and nomination and succession planning for MCB Group Ltd and its subsidiaries. The RCGESC is supported by the CSC, which assists in fulfilling its mandate to oversee the execution of the Group's corporate sustainability programme.

For more information, please refer to our corporate governance report, available in our 2025 MCB Group Annual Report.

Corporate Sustainability Committee

The CSC is a subcommittee of the RCGESC, providing enhanced governance and oversight of our corporate sustainability programme. Its responsibilities include monitoring our progress and ensuring that we implement appropriate sustainable development initiatives and integrate relevant environmental and social considerations into our decision-making processes. The CSC reports its findings and recommendations to the RCGESC after every scheduled meeting or at ad hoc committee meetings as needed.

Member	Position	Relevant skills and competencies
Maya Makanjee (Chairperson)	Independent Non-Executive Director of MCB Group	The committee's diverse composition reflects the breadth of expertise needed to effectively oversee the execution of the Group's corporate sustainability programme. Its members bring extensive experience in banking and financial services, with a deep understanding of African and regional social and environmental development issues. Members also have specific skills related to governance, corporate affairs and stakeholder engagement, ensuring a holistic approach to sustainability.
Jayananda Nirsimloo	Chairman of MCB Group	
Simon Walker	Chairman of MCB Ltd	
Johanne Hague	Independent Non-Executive Director of MCB Ltd	
Yvan Legris	Non-Executive Director of MCB Group	
Jean Michel Ng Tseung	Executive Director of MCB Group	
Thierry Hebraud	Executive Director of MCB Ltd	
Dipak Chummun	Executive Director of MCB Group	



In FY25, the CSC met four times and discussed the following topics related to sustainability matters:

- Reviewed and validated the sustainability matters identified during our materiality analysis and discussed next steps, taking guidance from the SSC.
- Monitored our FY25 progress against the objectives of our corporate sustainability programme and approved our strategic sustainability roadmap for FY26.
- Discussed MCB Ltd’s sustainable finance agenda.
- Discussed progress regarding the implementation of our Gender Equality Charter.
- Approved our IFRS Sustainability Standards S1 and S2 implementation roadmap.

The role of the management committees

Sustainability Strategic Council

Our SSC is the highest management-level committee overseeing our corporate sustainability programme, focusing on sustainability-related activities across the Group. The SSC comprises our Chief Executives (Bank and Group), our Chief Finance Officer, cross-functional Heads of SBUs (including Human Resources, Risk, Global Structured Finance and Strategy, Research and Development) and our CSO.

The SSC is responsible for implementing our Board-approved corporate sustainability programme, which includes assessing proposed sustainability initiatives, ensuring they align with our corporate sustainability programme and address our key economic, social and environmental sustainability matters. The SSC also oversees the action plans and approves and monitors the budgets required to support project implementation. By maintaining oversight of these processes, controls and procedures, the SSC plays a central role in fostering and driving accountability for our corporate sustainability programme throughout the Group.

In FY25, the SSC met five times and discussed the following topics related to our corporate sustainability programme:

- Discussed the outcomes of the materiality analysis, including next steps, and recommended our sustainability matters to the CSC for validation.
- Monitored our FY25 progress against the objectives of our corporate sustainability programme and recommended our FY26 strategic sustainability roadmap to the CSC for approval.
- Discussed MCB Ltd’s sustainable finance agenda and made relevant recommendations to the CSC, including monitoring the ongoing operationalisation of the sustainable finance agenda and the repositioning of our Transition Task Force as our Sustainable Finance Taskforce (alongside any necessary changes in governance and oversight).
- Validated MCB Private Wealth Management’s sustainable investing framework.
- Received updates and progress reports on climate risk.
- Received updates and progress reports on our Sustainability Linked Syndicated term Loan.
- Received updates and progress reports on our Gender Equality Charter.
- Assessed and validated our IFRS Sustainability Standards S1 and S2 implementation roadmap and recommended it to the CSC for approval.

The role of dedicated teams


Dedicated teams provide additional support and enable the day-to-day delivery of our corporate sustainability programme by driving approved initiatives and embedding sustainability-related activities, including environmental, social and climate risk management into business operations. These functions report to the relevant management and/or Board committee for oversight and strategic alignment.

Central Sustainability Office

Our Central Sustainability Office (CSO) is responsible for developing and driving the implementation of the Group’s corporate sustainability programme across three key workstreams. The CSO reports to the Head of Sustainability, Reputation and Engagement, who in turn reports to our Group Chief Executive.

Climate Risk

Climate Risk forms part of Financial Risk, which sits within the Risk SBU. Climate Risk is principally responsible for driving the implementation of climate-related financial risk within our risk management framework. It provides ad hoc updates to the SSC.

 Read more about our approach to managing climate risk on page 54.

Environmental and Social Risk Management (ESRM) team

Our ESRM team sits in the Credit management BU within our Risk SBU. It is responsible for conducting E&S risk due diligence on the Bank’s ESRM eligible financing activities. The team escalates its analysis, recommendations and proposed conditions on related E&S matters to the Executive Credit Committee for decision-making. The ESRM team implements our E&S Risk Policy, including identifying and mitigating E&S risks and monitoring of E&S-related conditions in the contractual agreement of transactions. The team also provides training to relevant internal stakeholders.

Additionally, the ESRM team reports quarterly to the Risk Monitoring Committee to provide visibility on ESRM eligible exposures, by business segment and sectors, with a focus on high E&S risk exposures and sensitive files. Below is the established governance for decision-making on E&S related exposures of the Bank:




 Read more about our approach to environmental and social risk management on page 41.

Sustainable Finance Taskforce (SFT)

This year, we reviewed the governance and supporting structures underpinning the operationalisation of our sustainable finance agenda. Accordingly, we reassessed the roles and mandates of our Transition Task Force and Local and Regional Sustainable Finance Working Group, incorporating them into our new SFT, which was established in June 2025.

Going forward, our SFT will strengthen governance and oversight of the Group’s sustainable finance ambitions, ensuring that our sustainable finance value proposition remains responsive to regulatory developments and evolving market demand. The SFT will be critical in institutionalising our sustainable finance agenda locally and internationally. The SFT will be responsible for developing and executing a strong and coherent transition roadmap for the Bank and the broader Group. It will further collaborate with and build capacity among relevant employees on key transition-related topics as well as oversee the Group’s progress against priority sustainable finance-related projects and programmes.

The sponsors of the SFT are the Head of Sustainability, Reputation and Engagement, Global Head of Structured Finance and Group Chief Risk Officer. The SFT reports to the SSC. The SFT meets quarterly and comprises members of the Corporate and Institutional segment, namely the Sustainable Finance Desk, Global Head of Coverage, Global Head of Structured Finance, Head of Specialised Finance and Head of Mauritian and Regional Corporates; the CSO, as well as the Head of MCB Overseas.

 Read more about our approach to sustainable finance on page 63.

Embedding sustainability into performance management and remuneration

We track our performance against a Group Scorecard, which drives strategic alignment around shared objectives. Our Scorecard informs our performance evaluations and is used to determine executive remuneration. The Scorecard further aims to ensure that we create meaningful value for our stakeholders while building our business for the future.


On/Above target

Below target

Creating value for our stakeholders	Measuring our impact through our Scorecard		
	Objectives	KPI	SDG impacted
	(90%) – Consolidate and grow the core		
	<ul style="list-style-type: none"> Support employee engagement Develop and retain talent 	<div> <div></div> Trust Index </div> <div> <div></div> Internal mobility rate* </div>	<div> <div>3</div> <div>GOOD HEALTH AND WELL-BEING</div> </div> <div> <div>4</div> <div>QUALITY EDUCATION</div> </div> <div> <div>5</div> <div>GENDER EQUALITY</div> </div> <div> <div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> </div> <div> <div>10</div> <div>REDUCED INEQUALITIES</div> </div>
Customers	<ul style="list-style-type: none"> Improve customer satisfaction and client experience Deepen relationships and wallet share 	<div> <div></div> Net Promoter Score </div> <div> <div></div> Non-interest income growth </div>	<div> <div>1</div> <div>NO POVERTY</div> </div> <div> <div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> </div> <div> <div>10</div> <div>REDUCED INEQUALITIES</div> </div> <div> <div>12</div> <div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div> </div>
Shareholders and investors	<ul style="list-style-type: none"> Drive financial performance to deliver strong returns Grow responsibly within set risk appetite 	<div> <div></div> Return on equity </div> <div> <div></div> Operating income growth </div> <div> <div></div> Risk barometer** </div>	<div> <div>16</div> <div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div> </div> <div> <div>17</div> <div>PARTNERSHIPS FOR THE GOALS</div> </div>
Economies, societies and communities	<ul style="list-style-type: none"> Support local economies Enable sustainable transitions 	<div> <div></div> Local market share </div> <div> <div></div> MSCI ESG rating </div>	<div> <div>3</div> <div>GOOD HEALTH AND WELL-BEING</div> </div> <div> <div>4</div> <div>QUALITY EDUCATION</div> </div> <div> <div>7</div> <div>ENERGY AFFORDABLE AND CLEAN ENERGY</div> </div> <div> <div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> </div> <div> <div>9</div> <div>INDUSTRIAL INNOVATION AND INFRASTRUCTURE</div> </div> <div> <div>10</div> <div>REDUCED INEQUALITIES</div> </div> <div> <div>11</div> <div>SUSTAINABLE CITIES AND COMMUNITIES</div> </div> <div> <div>12</div> <div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div> </div> <div> <div>13</div> <div>CLIMATE ACTION</div> </div> <div> <div>14</div> <div>LIFE BELOW WATER</div> </div> <div> <div>15</div> <div>LIFE ON LAND</div> </div> <div> <div>16</div> <div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div> </div> <div> <div>17</div> <div>PARTNERSHIPS FOR THE GOALS</div> </div>
			(10%) – Build for the future
	International growth	Product build-out	New markets

* Proportion of vacancies filled internally
** Derived from a composite index that integrates compliance, financial and non-financial risks

We have set relevant financial and non-financial targets for each of our performance measures. The objectives and targets are integrated into the performance scorecards of our executive and senior management teams, as well as those of eligible employees. We track our progress against these targets to determine compensation and incentivise performance, which in turn drives the overall execution of our corporate strategy and the management of key sustainability matters across the Group.

 Read more about our remuneration approach and rewards philosophy on page 142.

Strategy

This year, we unveiled Vision 2030, which outlines the Group’s five-year ambition that formalises and clarifies the Group’s ambitions in our home markets and on the African continent. Vision 2030 remains intrinsically linked to and guided by the Group’s purpose, Success Beyond Numbers.

In 2018, we launched our corporate sustainability programme, Success Beyond Numbers, which we subsequently elevated to our Group purpose in 2021. This year, as part of our strategic shift to Vision 2030, we refreshed our purpose to ensure it reflects our long-standing commitment to building a more resilient and inclusive future.

We evolved the tagline of our purpose as follows:

We use finance as a force for good in creating a sustainable and inclusive future for the Customers and Communities we serve.

Our purpose remains our guiding compass, underpinning our commitment to embed sustainability into all we do and shape every action into an opportunity to contribute to success.


Our sustainability focus areas, which we unpack throughout this report, continue to guide how we deliver on our purpose and support the execution of the Group’s strategy and Vision 2030.

Pillar 1 of our strategic Vision 2030 is to **Lead in our Home markets** by delivering excellence, driving innovation and creating value for our customers and communities. For us, home markets mean Mauritius, Madagascar, Maldives and Seychelles. Our sustainability focus areas enable us to pursue activities such as sustainable finance, financial inclusion, digital banking solutions, impact partnerships and enhanced social, environmental and climate risk management while serving our communities with care.

We also have a vision to **build a top-tier African Corporate and Investment Banking and Private Banking institution**. To achieve this, we must bring together our differentiated expertise and specialised approach while leveraging the full suite of the Group’s products and services to serve our clients meaningfully and holistically. One of our key focus areas is positioning ourselves as a partner in Africa’s journey to a just transition, addressing the need for adequate and affordable energy supply while advancing renewable solutions. Through our corporate sustainability programme, we continue to work on identifying ways to support this just transition while maintaining our focus on social objectives.

Finally, as we pursue our Vision 2030, our expertise should match the scale of our ambitions. We therefore need to ensure that we **Win in the Workplace** and remain focused on investing in talent by nurturing our teams and onboarding new capabilities.

Delivering on our sustainability objectives remains central to our strategy, enabling us to maximise commercial opportunities while creating meaningful value for our stakeholders.

 Read more about Vision 2030 and our strategic pillars in our 2025 MCB Group Annual Report.



Our Group strategy

Success Beyond Numbers
We use finance as a force for good in creating a sustainable and inclusive future for the Customers and Communities we serve.

Our Vision 2030
To be the leading Banking Group in our Home markets and a top-tier African Corporate and Investment Bank and Private Banking institution, recognised for Excellence and Innovation.

Our Strategic pillars



Lead in our Home Markets



Build a top-tier African CIB and PB institution



Win in the Workplace

Our sustainability focus areas and supporting objectives



Vibrant and sustainable local and regional economies:

- Responsible product development
- Responsible finance that promotes financial inclusion and environmental sustainability
- Serving our customers
- Promoting responsible procurement

 Read more on page 60.



Our environmental and cultural heritage:

- Managing our direct and indirect operational environmental impacts
- Impact Partnerships: Our key environmental, social and cultural impact partnerships
- Arts and culture

 Read more on page 88.



Individual and collective well-being:

- Supporting our employees
- Our MCB Career Architecture
- Our Employee Value Proposition
- Our talent management framework
- Performance management
- Culture and diversity, equity and inclusion
- Supporting our communities

 Read more on page 126.

Link to our strategy and Vision 2030







Relevant SDGs







Our corporate sustainability programme is underpinned by our commitment to responsible behaviour and ethical business practice:

We focus on:

- 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

 Read more on page 160.


Link to our strategy and Vision 2030:




Relevant SDGs:




Our corporate sustainability programme remains guided by the following:





The United Nations Sustainable Development Goals (SDGs) reflect an international agreement to eradicate poverty and inequality, protect health and prevent climate change by 2030 through 17 universally recognised outcomes. We identified 16 SDGs further to our ESG materiality analysis where we believe we can make a positive impact.

 We indicate our relevant SDGs per sustainability focus on page 44.




We became a participant in the United Nations Global Compact (UNGC) in 2008. The UNGC is a pact encouraging businesses worldwide to adopt sustainable and socially responsible policies. We are committed to upholding the Ten Principles of the UNGC.

 Read more about our application of the Ten Principles, particularly human rights, on pages 184-185.




MCB Ltd became a signatory to the United Nations Environment Programme Finance Initiative Principles for Responsible Banking (UNEP FI PRB) in 2019. These principles provide a framework to ensure that our strategy and business practices align with the visions outlined in the SDGs and the Paris Climate Agreement.

Our self-assessment against the UNEP FI PRB is available in our annex on our online version of the Sustainability Report.



We adopted the Equator Principles in 2012. These 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.

 Read more about how we are applying these principles within our operations on page 50.

Our sustainability materiality approach

As the leading bank in Mauritius and a prominent regional financial services player, we are cognisant of the role we play in helping our customers and communities succeed. We also recognise that how we manage sustainability issues matter and helps define how we will deliver on our purpose. We have therefore embarked on a process to understand the sustainability risks and opportunities that are most significant to us and our stakeholders and are refining how we utilise these insights to enhance our resilience and shape our long-term goals and action plans.

Our sustainability materiality analysis

Step 1: Identify

In FY24, we undertook an extensive sustainability materiality analysis to identify the direct and indirect sustainability impacts relevant for MCB across our value chain.

Our sustainability materiality analysis involved inclusive and participatory stakeholder engagement. We conducted more than 400 interviews with internal and external stakeholders, including Board members, employees, investors, clients, suppliers, authorities and regulatory bodies, and civil society organisations.

Our analysis was informed by market and industry research. It was guided by the GRI Standards (GRI 3: Material Topics 2021), leveraging existing materiality processes and tools to facilitate alignment with the reporting requirements of the IFRS Sustainability Standards S1 and S2 and the European Sustainability Reporting Standards (aligned with the requirements of the Corporate Sustainability Reporting Directive).



Step 2: Assess and prioritise

We assessed and prioritised our sustainability impacts using the concept of **‘double materiality’**, which considers our most significant impacts on the environment and people (impact materiality), as well as the significant sustainability-related dependencies, risks and opportunities that could reasonably be expected to affect MCB’s prospects in the short, medium and long term (financial materiality).



Step 3: Integrate

This year, we focused on further unpacking our sustainability impacts to identify our **material sustainability risks and opportunities**. We also initiated a review of our governance structures and risk management processes to ensure that the potential impacts of our sustainability risks and opportunities are appropriately integrated and considered alongside financial performance. These projects are ongoing and are expected to be completed in FY26. Read more about our approach to risk management on page 50.

The identification of our material sustainability risks and opportunities, and the integration of these risks into our broader risk management framework, will be a key outcome of our roadmap to align with the IFRS Sustainability Standards S1 and S2. Read more about this roadmap on page 11.





This graphic summarises our identified sustainability matters, which reflect the most significant, direct socio-economic and environmental impacts of our business activities on our stakeholders and the broader indirect impacts of our products and financing activities. The graphic illustrates how these matters impact our value chain as well as how they align with the focus areas of our corporate sustainability programme.

- Direct impact: outcomes arising from our own operations and activities, over which we have a high degree of influence and control.
- Indirect impact: outcomes from our products, services or financed activities, which we can influence but not totally control.

Economic sustainability matters				
Economic performance	■			
Market presence	■			
Indirect economic impacts	■			
Procurement practices	■ ■			
Anti-corruption	■ ■			
Anti-competitive behaviour	■ ■			
Taxation	■			
Environmental sustainability matters				
Materials	■ ■			
Energy	■ ■			
Water and effluents	■			
Biodiversity	■			
Emissions	■ ■			
Waste	■			

Alignment with our corporate sustainability programme

Vibrant and sustainable local and regional economies	Environmental and cultural heritage	Individual and collective well-being	Responsible behaviour
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This graphic summarises our identified sustainability matters, which reflect the most significant, direct socio-economic and environmental impacts of our business activities on our stakeholders and the broader indirect impacts of our products and financing activities. The graphic illustrates how these matters impact our value chain as well as how they align with the focus areas of our corporate sustainability programme.

- Direct impact: outcomes arising from our own operations and activities, over which we have a high degree of influence and control.
- Indirect impact: outcomes from our products, services or financed activities, which we can influence but not totally control.

Social sustainability matters				
Employment	■			
Labour management relations	■			
Occupational health and safety	■			
Training and education	■			
Diversity and equal opportunity	■			
Non-discrimination	■			
Freedom of association and collective bargaining	■ ■			
Child labour	■ ■			
Forced or compulsory labour	■ ■			
Local communities	■ ■			
Customer health and safety	■ ■			
Marketing and labelling	■ ■			
Customer privacy	■ ■			

Alignment with our corporate sustainability programme

Vibrant and sustainable local and regional economies	Environmental and cultural heritage	Individual and collective well-being	Responsible behaviour
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MCB set the threshold for material topics as the space where ‘influence on stakeholder decisions and expectations’ and ‘significance on the organisation’s economic, social and environmental impacts’ are high, represented as direct and indirect impacts. Key Takeaways include:

- **Environmental Impact Through Financing**
Environmental topics are not material when assessed solely on the bank’s direct operations. However, they become material through MCB’s financing activities, underscoring the bank’s influence across its value chain.
- **Social Risks via Indirect Exposure**
Topics such as Child Labour and Forced Labour are material due to indirect exposure through financed entities, reinforcing the need for responsible lending and enhanced due diligence.
- **Economic Performance as a Strategic Pillar**
Economic performance remains a material topic, reflecting both direct and indirect impacts. Stakeholders rely on MCB’s financial resilience and leadership in driving sustainable economic growth.
- **Stakeholder Expectations for Leadership**
Suppliers, employees, and NGOs view MCB as a catalyst for positive change. There is a clear call for deeper engagement and leadership in sustainability initiatives.
- **Data Governance and Privacy as Trust Enablers**
Clients and regulators prioritize data governance and privacy, positioning these as critical areas for maintaining trust and regulatory alignment.
- **Internal Capacity Building Imperative**
Gaps in sustainability awareness across employee levels highlight the need for targeted internal training and culture-building to embed sustainability into core operations.

Read more about how we are managing our direct and indirect environmental impacts on page 100.

Access our complete Materiality Analysis for MCB Ltd on our website:





Actions taken by our overseas subsidiaries to drive strategic alignment

We continue to drive Group-wide alignment on our sustainability programme and priority initiatives, aligned with our commitment to Success Beyond Numbers and Vision 2030. These efforts enable us to embed collaborative sustainability practices, drive strategy execution and foster cultural alignment across our teams.

This year, MCB Madagascar developed its sustainability roadmap, which was approved by its Executive Committee. Aligned with our commitment to fostering a culture of sustainability awareness across the Group, our subsidiaries collaborated with our CSO to identify opportunities to integrate sustainability practices within their operations. Furthermore, all new recruits who joined MCB Madagascar, MCB Maldives and MCB Seychelles took part in our employee induction programme, which includes a dedicated session on our sustainability programme, Values and Shared Ways of Working.

To ensure broader strategic alignment with Vision 2030, our overseas banking subsidiaries participated in workshops and attended presentations focused on our five-year strategic ambition. Our subsidiaries also launched quarterly townhalls to share organisational updates and foster stronger employee engagement.

 Read more about our efforts to foster a Group-wide culture of sustainability awareness on page 109.

 Read more about Vision 2030 on page 43 and in our 2025 Annual Report.

Risk management

Responsible risk management reinforces our commitment to use finance as a force for good to support sustainable long-term business growth.

We leverage a robust risk management and compliance framework, supported by sound governance and an ongoing focus on embedding a strong risk culture across the Group. Our ambition is to ensure that we control our key risks while tapping into business opportunities that create value for our customers and communities.

To help us achieve this, we are assessing the implications of the material sustainability topics we identified during our materiality analysis to ensure that our key sustainability risks are fully embedded within our broader risk management framework. This is an ongoing focus, and we will provide further insight on our progress in FY26.

 Further details on our risk management strategy and framework are available in our 2025 MCB Group Annual Report.

E&S Risks

In line with our purpose, we aim to contribute to building a sustainable and inclusive future in our home markets and across Africa. By properly embedding ESRM into our credit cycle and decision-making, we strive to encourage responsible business practices, promote positive impacts, and reduce potential negative impacts on people, communities and the environment.

Our E&S Risk Policy

Our E&S Risk Policy highlights our engagement to ensure that our exposure to E&S risks through our financing activities is properly identified and managed through adequate risk management framework and standards.


Primarily, the bank has developed an Exclusion List, approved by the Board, for activities having damaging impacts on the environment and human rights. The policy also stipulates the type of transactions considered eligible for Environmental and Social Risk Assessment, which covers all sectors within our risk appetite.

The Bank is also committed to capture emerging E&S risks such as biodiversity, climate, gender and working conditions present in sectors like agriculture, oil and gas, metals and minerals, manufacturing, property development and renewable energy, amongst others. Irrespective of the project costs or loan amount, projects identified to be concerned with those emerging risks will undergo an ESRM assessment for proper risk mitigation measures.

The scope of application of the policy has been established with financing types and financial threshold to reflect our local and international operating context. This approach has also been adopted for financing types or products targeted for corporate, SME and MME clients, since the ESRM process also applies to all sustainable financing products, corporate and government loans as well as unfunded facilities. Since 2020, the E&S Risk Policy has been reviewed on an annual basis.

As per its Board-approved mandate, the RMC reviews and approves our E&S Risk Policy annually, with the latest review conducted in May 2025. The main amendments brought to the E&S Risk Policy in 2025 are:

- Improved details for the scope of application in terms of sector covered within our risk appetite and clarification required for working capital and/or trade finance facilities.
- The review of the current escalation process of E&S risks to MCB credit committees to enhance the effectiveness of decision-making.

 Our E&S Risk Policy, including our Exclusion List, is available on our website: mcb.mu/resources/environmental-and-social-risk-management

Environmental and Social Risk Management (ESRM) process

In line with our objectives and the growing importance of managing E&S risks to businesses, we developed our ESRM process to systematically identify, assess, manage and monitor the E&S risks to which we are exposed through our lending activities. The ESRM process and procedures have been developed to assess different E&S risk category of projects and have been integrated into the overall credit cycle of the Bank, from initiation to monitoring phases.

Environmental and Social Risk Due Diligence

Compliance with the MCB Exclusion List

The Bank has developed a guideline for the coverage team, alongside the ESRM team, to conduct a preliminary E&S screening to ensure compliance with the MCB Exclusion List for new clients or projects. This includes, for example, projects involving forced labour, destruction of critical habitats or the production of hazardous materials, amongst others. Once clients or projects are found to comply with the MCB exclusion list, we conduct our ESRM due diligence following the steps outlined below.

Eligibility

We assess whether transactions are eligible for the E&S risk due diligence based on the scope of application of our E&S risk policy.

Risk identification and categorisation

Risk identification is an integral part of our ESRM process, which we conduct at various stages of the credit cycle. We apply the criteria defined by the International Finance Corporation (IFC) and the Equator Principles to categorise projects according to the magnitude of their potential impacts.

These categories are described as follows:		
Category A	Category B	Category C
Projects with potential significant adverse E&S risks and/or impacts that are diverse, irreversible or unprecedented.	Projects with potential limited adverse E&S risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.	Projects with minimal or no adverse E&S risks or impacts.

E&S risk assessment

All eligible ESRM projects undergo E&S risk due diligence process to establish the compliance level of the project, existing assets and activities (if related to the project) by reviewing the following:

- All applicable environmental and social laws, regulatory frameworks and necessary permits
- Requirements under the Equator Principles, including the United Nations Guiding Principles on Business and Human Rights and Climate Change Risk Assessment
- Applicable IFC Performance Standards
- Industry-specific human rights, environment and health and safety guidelines

The degree of E&S risk due diligence is determined by the category of the project. For Category A and high-risk Category B projects, the E&S risks will be assessed by a Bank-appointed independent environmental and social consultant, with a defined scope of work covering the above requirements. Medium or low Category B and Category C projects will be assessed against the same criteria by the internal ESRM team. Additionally, all ESRM eligible projects will also be assessed on their sector-specific E&S risks using available E&S risk identification tools.

The Bank can also apply environmental and social risk due diligence on projects with specific E&S risk concerns, irrespective of whether the project falls within the scope of application. In some cases, a simplified E&S review may be applied.

The due diligence process may necessitate specific preventative or mitigation measures to manage or reduce potential E&S impacts. The Bank will develop the adequate environmental and social action plan, specifying key deliverables and timelines to bring the project into compliance with the applicable standards and the Bank’s requirements.

Escalation process

All credit requests eligible for an ESRM process include the findings of the E&S risk due diligence, the adequate E&S recommendations and conditions, and are escalated for decision-making to the Executive Credit Committee (ECC). The ECC will review and sanction the requests based on credit risk alongside reputational, E&S and climate risks as follows:

- Approve the transaction
- Reject the transaction
- Approve the transaction subject to amendments to be brought to the request

Upon approval of the request, the relevant environmental and social conditions and covenants are included in the contractual agreements with the clients.

Role of the Executive Credit Committee (ECC)

The Executive Credit Committee (ECC) is primarily responsible for sanctioning of credit requests and overseeing the management of credit risk portfolios within MCB Ltd. The ECC constitutes of the following members: the Bank Chief Executive, Chief Risk Officer, Head of Credit Management and the Heads of SBUs (especially Global Coverage and Global Structured Finance). The ECC ensures that environmental and social risks as well as potential reputational risks are adequately considered, alongside other credit risks, for decision-making on deals/transactions.


Environmental and social covenant monitoring

The E&S covenants and the E&S performance (Environmental and Social Action Plan and independent E&S monitoring report) of the project are monitored throughout the loan tenor, as per the contractual agreement. These are often supported by ongoing client engagement and site visits. Any covenant breach is escalated to the ECC.

For higher E&S risk exposures, the ESRM team monitors the ongoing E&S risks and provides their input to the ECC. Our higher E&S risk sectors comprise of:

- Oil and Gas
- Metals and Minerals
- Real-estate projects located in environmentally sensitive areas
- Agriculture
- Construction

As at end of FY25, 214 ESRM eligible disbursed financing were being monitored for their E&S performance.

 Read more about our Sustainable Finance Framework on page 63.

ESRM Eligible transactions for FY25

Figures in the table below correspond to ESRM eligible deals, including sustainable finance, disbursed in FY25:

Category A	Category B	Category C
Number of projects: 7 (FY24: 6)	Number of projects: 24 (FY24: 17)	Number of projects: 81 (FY24: 27)
List of sectors: Oil and Gas, Power and Infrastructure, Property Development, Hospitality and Leisure, Metals and Minerals	List of sectors: Property Development, Financial and Business Services, Hospitality and Leisure, Manufacturing, Agribusiness	List of sectors: Property Development, Telecommunication, Private Equity, Hospitality and Leisure
List of geographies: Europe, the Middle East and Africa	List of geographies: Europe, the Middle East and Africa	List of geographies: Europe, the Middle East and Africa

Our E&S Risk Incidents

During FY25, the Bank encountered environmental and social risk incidents on one cross-border client (in which MCB is a participant in a syndicated facility). The incident was duly reported to the Bank and currently the group of lenders, including MCB, are regularly engaging with the appointed independent E&S consultant and the client to investigate the incident and monitor the progress on E&S action plans.

ESRM training

The annual review of the E&S Risk Policy has as main objective, to raise awareness on the scope and application of our policy. It is usually followed by compulsory training rolled out to relevant stakeholders, including client-facing, legal, climate risk, documentation, compliance and credit risk teams amongst others, followed by an assessment. In FY25, 1,448 employees completed the E&S Risk Policy training.

In addition, our ESRM team received sector-specific training to broaden their understanding of E&S risks and project-related financing requirements. This training focused on various sectors, including Metals and Minerals, Oil and Gas, as well as sector-specific technologies related to water stewardship and wind farming. Our ESRM team also received technical assistance from SLR Consulting, which conducted training on emerging climate, gender and biodiversity risks.

We continue to ensure that any new employees joining our ESRM team receive training on the technical aspects of applying our ESRM process and integrating it into the credit cycle.

Our ESRM process in action

Case study 1: Respecting and promoting human rights

Projects with specific human rights concerns undergo enhanced due diligence, focusing on the relevant IFC Performance Standards (PS). This includes PS2 (Labour and Working Conditions), PS4 (Community Health, Safety, and Security), PS5 (Land Acquisition and Involuntary Resettlement) and PS7 (Indigenous Peoples), among others. Any pertinent risk identified will follow the ESRM process, including escalation to our ECC and more stringent post-disbursement monitoring by both the appointed independent E&S consultants and the internal ESRM Team.

Case Study 2: Ongoing monitoring of loan requirements

MCB participated as a minority lender in a syndicated facility to finance a large industrial plant in a non-OECD African country. We categorised the project as high risk (Category A) in terms of E&S risk.

The group of lenders appointed an independent environmental and social consultant (IESC) to ensure alignment with the Equator Principles, which was scoped into the terms of reference for the IESC. The due diligence process identified several issues related to human rights, health and safety, labour conditions, site safety and environment. An environmental and social action plan was developed to bring the project into compliance with international standards.

The group of lenders agreed that monitoring would be conducted by the IESC biannually. Throughout FY25, MCB continued to monitor the action plan in conjunction with any other findings raised by the IESC during their site visits. Given the severity of the environmental and social risks identified, our ESRM team systematically informed the ECC on the project’s compliance status and any other priority issues.

Ongoing monitoring will continue in the year ahead, and we will continue to engage with the lenders, borrower and the IESC to provide our input and guidance on the required remedial measures.



Climate risk
General approach and objectives

Climate risk may impact banks directly or indirectly through their exposures to clients and counterparties. These risks can manifest in financial and non-financial forms, potentially affecting credit quality, operational resilience and market valuations.

Our definition of climate risk	
We define climate risk as the financial risks associated with the potential impacts of climate change, which can arise through physical and/or transition risk channels, such as extreme weather conditions or changes in legislation.	
Physical risk	Transition risk
This refers to potential losses and economic costs which may arise due to increased severity of extreme weather events such as cyclones and floods (acute risks) and longer-term shifts in climate patterns such as sustained higher temperatures and rising sea levels (chronic risks).	This refers to potential losses and economic costs which may arise due to significant and rapid policy changes, disruptive technological development or market sentiment shifts as part of the transition towards a lower carbon economy.

Governance

The Bank is adapting its governance framework to cater for climate-related risk management and sustainability considerations.

The Chief Risk Officer is responsible for the oversight and alignment of policies, including consideration for climate and environmental risks and associated financial and reputational risks.	The Head of Financial Risk oversees progress against the climate risk roadmap and the integration of climate-related risks into the risk management framework.	The Senior Climate Risk Executive is responsible for driving the implementation of this roadmap, including defining the framework for identifying, measuring and managing climate-related physical and transition risk.
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Climate-related risk matters are escalated to the RMC, with updates provided to the SSC as necessary.

Governing guidelines:	Guideline on Climate-related and Environmental Financial Risk Management
Internal policy:	ESR Policy (read more on page 50)

Measurement, monitoring and management

The Bank has onboarded an internationally recognised service provider, who has developed a platform which scores:

- The current risk of natural hazards
- Forward-looking risk due to climate change under selected Intergovernmental Panel on Climate Change (IPCC) scenarios and short, medium and long-term time horizons

It should however be noted that this assessment is entirely dependent on geo-spatial data for our exposures. The availability of precise location data for our clients’ operations remains a key challenge and we are continuing to gather this information manually on a best-efforts basis.

The Bank is implementing an internally developed tool to assess the impact of climate-related transition risk on our wholesale portfolio. The approach incorporates the projected cost of a potential carbon tax under selected scenarios from the Network for Greening the Financial System (NGFS) across short, medium and long-term time horizons. Given that most of our clients do not yet disclose their GHG emissions, the assessment relies heavily on estimated emissions, derived using external data sources on GHG emissions intensity.

We have started to assess the climate-related physical and transition risk on a sample of our wholesale portfolio, covering a mix of countries and sectors.

We will continue to advance our approach in FY26, focusing on strengthening our capabilities, refining our methodologies and deepening integration across key business areas to better navigate the evolving climate risk landscape.

Scenario analysis and stress testing

As part of our continued efforts to embed climate risk into core risk management and decision-making processes, we have started to integrate climate scenario analysis into key strategic exercises.

Specifically, building on the approach for FY24, a climate scenario was incorporated into the Bank’s stress testing exercise as part of the risk appetite setting process and the Internal Capital Adequacy Assessment Process (ICAAP) for FY25.

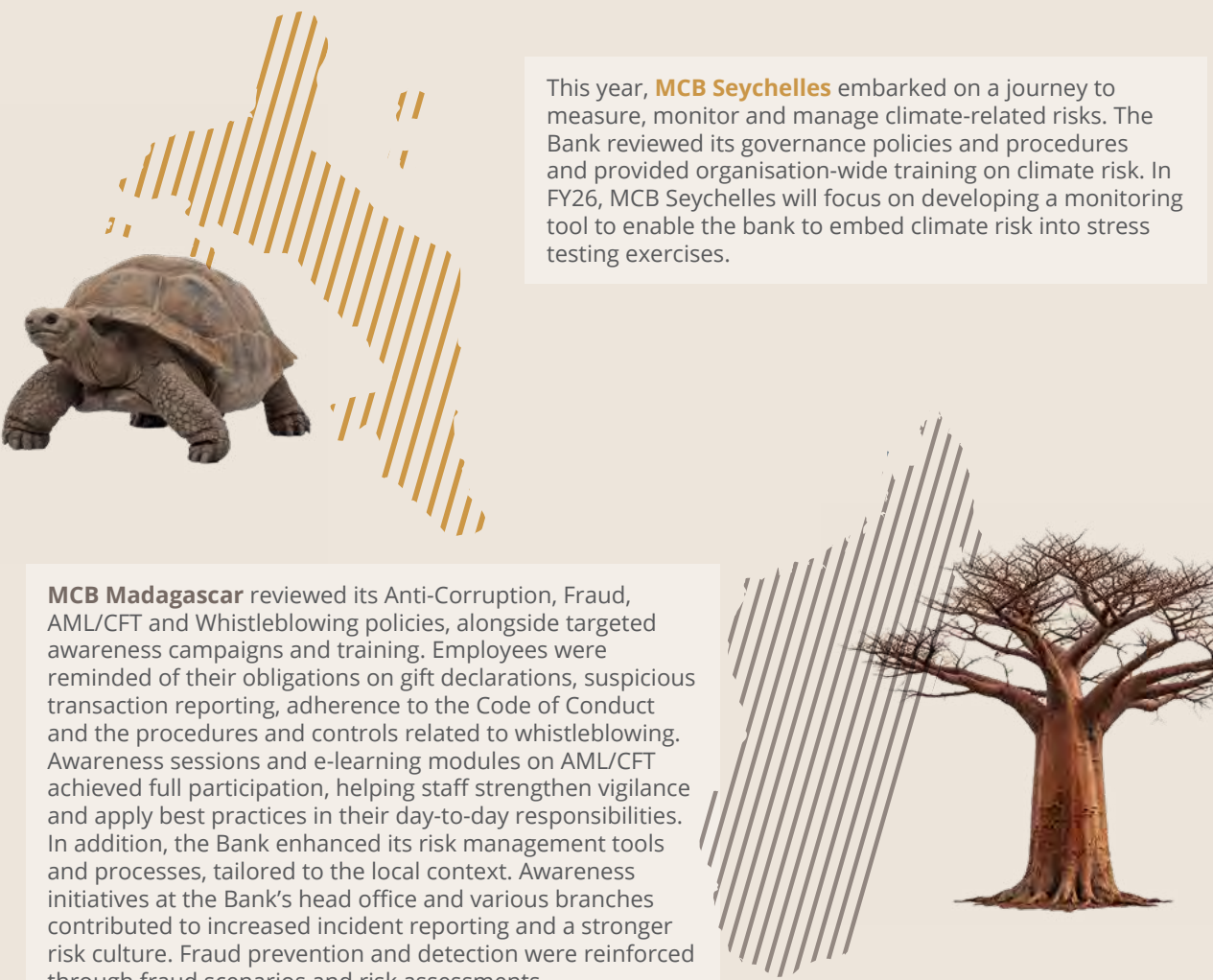
Read more in the risk and capital management report in our 2025 MCB Group Annual Report.

Additionally, we delivered on the first regulatory climate scenario analysis exercise launched by the Bank of Mauritius which covered both climate-related physical and transition risks. To assess the potential impact of these scenarios on our expected credit losses, we defined granular macroeconomic, sectoral and client-level assumptions, which were integrated into our internal credit risk models.

There are no material financial impacts to report for the current reporting period.

Actions taken by our subsidiaries to embed sustainability governance and climate, environmental and social risk management

We are enhancing our approach to governance, risk management and compliance across the Group, including for all overseas banking subsidiaries.



This year, **MCB Seychelles** embarked on a journey to measure, monitor and manage climate-related risks. The Bank reviewed its governance policies and procedures and provided organisation-wide training on climate risk. In FY26, MCB Seychelles will focus on developing a monitoring tool to enable the bank to embed climate risk into stress testing exercises.

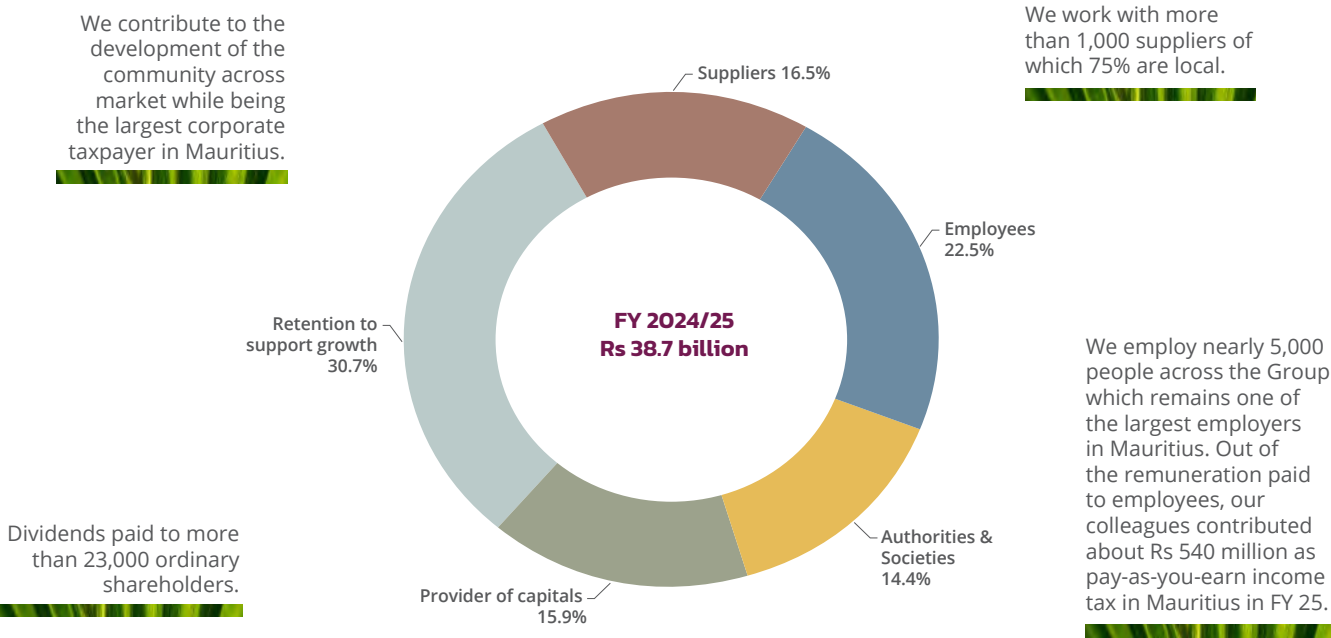
MCB Madagascar reviewed its Anti-Corruption, Fraud, AML/CFT and Whistleblowing policies, alongside targeted awareness campaigns and training. Employees were reminded of their obligations on gift declarations, suspicious transaction reporting, adherence to the Code of Conduct and the procedures and controls related to whistleblowing. Awareness sessions and e-learning modules on AML/CFT achieved full participation, helping staff strengthen vigilance and apply best practices in their day-to-day responsibilities. In addition, the Bank enhanced its risk management tools and processes, tailored to the local context. Awareness initiatives at the Bank’s head office and various branches contributed to increased incident reporting and a stronger risk culture. Fraud prevention and detection were reinforced through fraud scenarios and risk assessments.

Stakeholder engagement

Our proactive stakeholder engagement model guides our actions and behaviours. We embrace an integrated vision that aims to make a solid contribution to and meet the needs and expectations of our stakeholders. The Group has a well-established governance and operational framework to ensure that stakeholder engagement is managed transparently and in alignment with international practices and regulatory stipulations.

[Read more about our stakeholder engagement approach in our 2025 MCB Group Annual Report.](#)

Distributable Financial Value created for FY25: Rs 38.7 billion (FY24: Rs 29.5 billion)



Employees

We offer fair compensation to our employees as well as several non-salary benefits with opportunities for upskilling and career development. For the year under review, a total of Rs 8.6 billion was spent on our employees - a reflection of our commitment to their growth, development and well-being.

Shareholders and investors

We deliver consistent and sustainable financial returns with sound risk and capital management. Dividends to shareholders amounted to Rs 6.2 billion.

Suppliers

We foster long-term partnerships with both local and foreign suppliers of products and services with a key focus on promoting local and responsible procurement to favour the development of the local economy. Payments to third-party providers of products and services, including for capitalised expenditures, were in excess of Rs 7 billion during FY 25.

Authorities and societies

We are committed to making meaningful contribution to the socio-economic development of countries where we operate. With our status as the largest contributor to corporate tax revenue and banking levy in Mauritius, the amount of tax and levies payable by the Group to the authorities for FY 25 stood at some Rs 5.1 billion. Following the recent national budget, this amount is expected to increase substantially in FY 26, further supporting Government's revenue base.

Moreover, we promote social progress and financial inclusion, environmental protection, sports, arts and culture through sponsorship programmes and initiatives channeled via MCB Forward Foundation, amongst others.

Note: Figures are as at June 2025, unless otherwise stated. Depreciation and amortisation have been categorised under suppliers.



Employees

We act as an employer of choice and are committed to winning in the workplace by supporting the development and well-being of our people.

[Read more from page 129.](#)

Customers

Through a tailored product offering delivered through top-quality services and appealing digital platforms, we support the goals of our customers and clients, in turn contributing to the development of vibrant and sustainable local and regional economies.

[Read more from pages 83-85.](#)

Shareholders and investors

We deliver consistent returns for our shareholders and investors while operating within the precinct of our risk appetite.

[Read more in our 2025 MCB Group Annual Report.](#)

Economies, societies and communities

We foster financial stability by collaborating with authorities and economic agents while promoting social progress, inclusion and environmental and cultural preservation in the communities in which we operate.

[Read more from pages 117 and 147.](#)

Spotlight: The Good Shop

The Good Shop is a social enterprise operating second-hand shops throughout Mauritius that aim to improve the environment through the transformative reuse of goods, provide meaningful employment to individuals facing barriers to work and fund scholarships for students from vulnerable communities.

FY25 sponsorship: Rs 750,000 (FY24: Rs 750,000)	We proudly partnered with The Good Shop in 2022, reflecting our shared commitment to promoting environmental sustainability, circular economies and social impact. We maintained our annual sponsorship in FY25, which was used to finance enhancements in the organisation's marketing, health and safety and IT solutions.
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This year, The Good Shop participated in our social leave programme, with MCB employees helping in floor-running activities such as sorting of donations. We also featured the organisation on our weekly news bulletin 'Lavwa nou later' and showcased their reach and impact in EcoSphere, a monthly article published in partnership with local newspaper, Le Dimanche L'Hebdo.

- Read more about our social leave programme on page 154.
- Read more about our efforts to promote community sustainability awareness through media platforms and partnerships on page 115.

Find out more about The Good Shop at www.thegoodshop.mu

Spotlight: Small Step Matters

Small Step Matters is a crowdfunding platform dedicated to raising funds for social and environmental causes across Mauritius. MCB is Small Step Matters' founding member.

FY25 sponsorship: Rs 1 million (FY24: Rs 600,000)	This year, our funding was used to help strengthen the platform's capacity and coordination efforts and enhance its crowdfunding approach to encourage wider community contributions and enable more NGOs and individuals to bring their social or environmental projects to life. We will continue to support Small Step Matters in the year ahead.
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