

SUSTAINABILITY REPORT 2021



SUCCESS BEYOND NUMBERS

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Gender Equality

The concept

At MCB, we believe that gender equality is sine qua non for the sustainable prosperity of any organisation or state. Recognising that, globally, equity has been put on the back burner for too long, we have taken steps to address systemic inequities that may linger, despite our best intentions.

In adopting our Gender Equality Charter, we seek to integrate the well-being of all our employees with our long term goals, believing that a fulfilled workforce underpins success.

Our reports are peppered with portraits of women engaged in a wide palette of professions to celebrate their contribution to the economic life of Mauritius.

PRINCIPLE 1

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

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.

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.

PRINCIPLE 4

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

PRINCIPLE 5

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

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.

PRINCIPLE 7

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

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.

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.



ABOUT THIS SUSTAINABILITY REPORT 2021



Vanessa Doger de Spéville
 Head of Communication and
 Corporate Sustainability

This Sustainability Report is complementary to the Annual Report of MCB Group Limited. It provides information relating to the Group's sustainability vision – 'Success Beyond Numbers'. It describes the contribution of the Group to promoting a sustainable local economy, preserving the country's environmental and cultural heritage, and supporting individual and collective well-being. This report, developed in accordance with the GRI Sustainability Reporting Standards (Core option), provides a review of our 2021 sustainability performance for the period 1 July 2020 to 30 June 2021, unless otherwise stated.

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 cover largely the scope of the Bank, although some key performance indicators relate to the Group's operations. This is clearly differentiated throughout the report.

For any questions regarding the content of this report, please send us an email on vanessa.dogerdspeville@mcb.mu.

Our Core Values



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





From left to right:
Sattiavadee - Broker Clerk
Christel - Head of Faculty
Justine - Gardener
Divya - Telesales Executive
Cendrine - Zoo Keeper

OVERVIEW OF ORGANISATION

MCB Group at a glance

MCB Group Limited is an integrated regional financial services provider. 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, The Mauritius Commercial Bank Limited, is a dynamic organisation with a rich heritage. It is the leading bank in Mauritius and an increasingly well-known regional player.

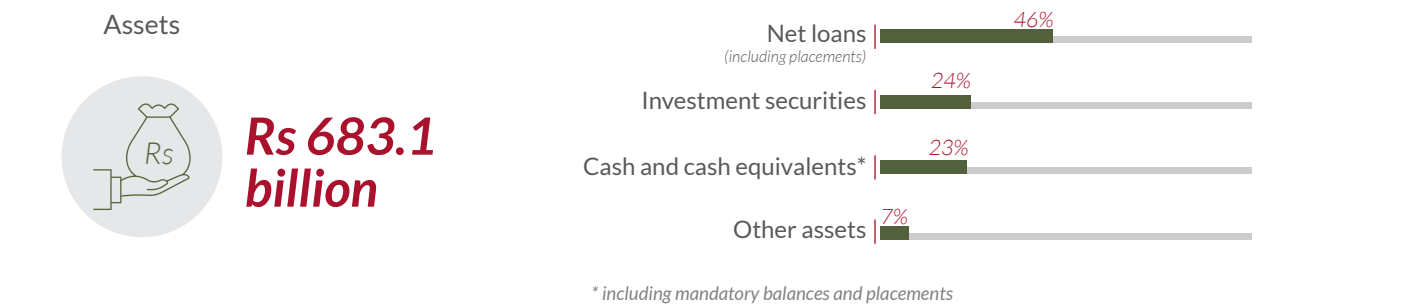
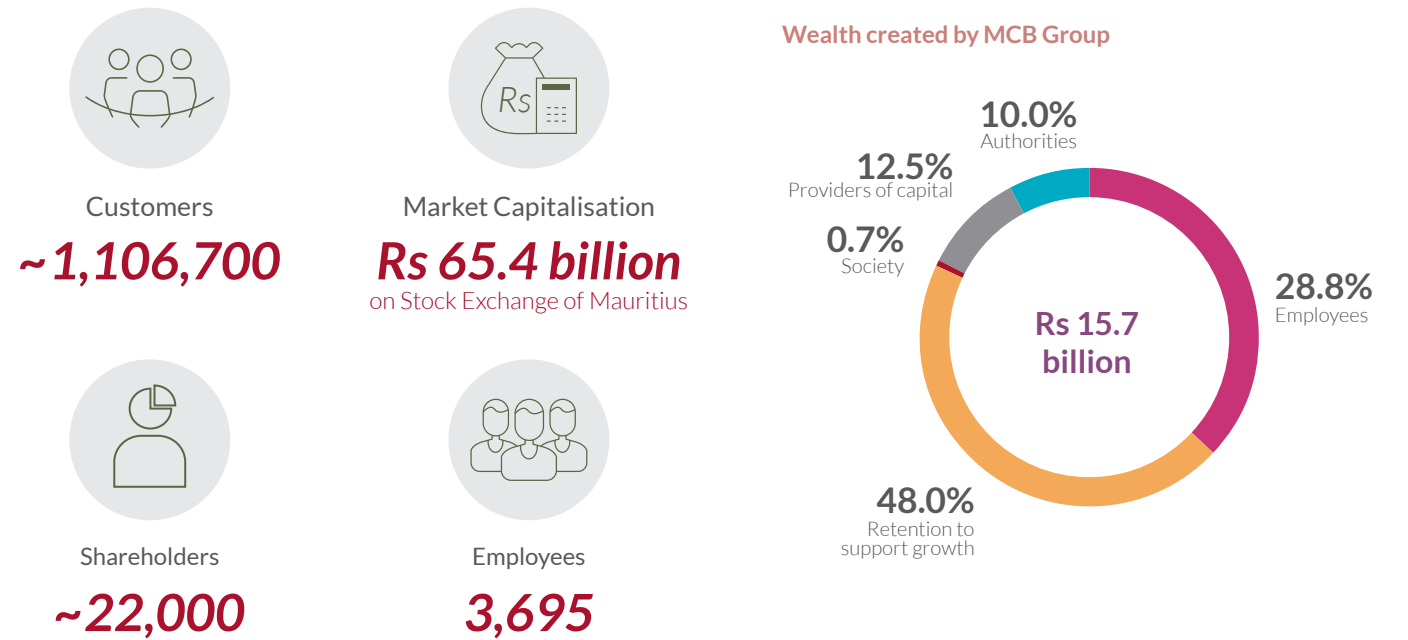
Legend

- Banking subsidiaries of the Group
- Representative Offices of the Bank
- Group associate (Banque Française Commerciale Océan Indien)
- Group associate (Société Générale Moçambique)

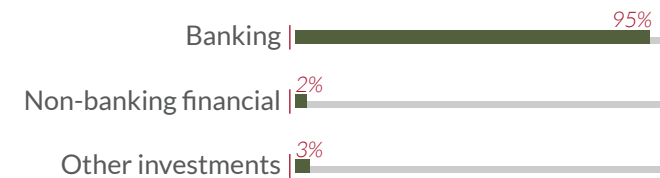


While being headquartered in Mauritius, the Group has a notable presence in the Indian Ocean and sub-Saharan African regions.

Overview of Organisation



MCB Group operating income* by cluster - Rs 22.4 billion



* Figures shown are after elimination of intercompany transactions

Note: Figures are as at 30 June 2021

Overview of Organisation

Value created in 2021



Shareholders

Shareholders
~ 22,000

Market capitalisation
Rs 65.4 billion

Earnings per share
Rs 33.48



Customers

Customers
~1,106,700

Customer deposits
Rs 486 billion

Customer loans
Rs 288 billion

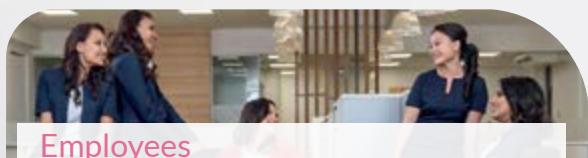
Branches/Kiosks
62

ATMs
213

Point of Sale terminals
~12,800

MCB Juice subscribers
~408,200

Internet Banking subscribers
~287,500



Employees

Employees
3,695

Employee retention rate
96%

Employee hire rate
9%

Women representation
at middle and senior management
30%*

Salaries and benefits paid to
employees
Rs 4.6 billion

Investment on training
Rs 4.3 million

* Figures relate to MCB Ltd



Electricity sourced from renewables
25%*

Residual carbon emissions in 2020
15,016 tonnes CO₂-eq*

Residual carbon emissions in 2019 that was offset in environmental and social projects
17,345 tonnes CO₂-eq*

Debit and credit cards in polylactic acid
46%

Coal trade finance
0



Tax paid
Rs 1,586 million

Procurement spend
Rs 2,180 million*

Allocated to MCB Forward Foundation for environmental and social community projects
Rs 54.7 million

Scholarships awarded to Mauritian students
(since 1988)
33

Scholarships awarded to Rodriguan students
(since 2000)
36

* Figures relate to MCB Ltd

MESSAGE FROM OUR GROUP CHIEF EXECUTIVE

Message from our Group Chief Executive



Pierre Guy Noël
Chief Executive
MCB Group Ltd

The past two years have tested the resilience of many companies, be it in Mauritius or around the globe. MCB was no exception. I am nonetheless pleased to say that despite the challenges that we had to face, we pursued our journey resolutely without losing our focus.

This unprecedented crisis has reinforced the conviction that adopting a Sustainability Programme in 2018 was the right approach. The sustainability issues we have chosen to tackle, from the well-being of our employees to the necessary diversification of the country's economy, all the way to climate change, are now more relevant than ever.

This is why we have sought to strengthen the Group's Sustainability Programme, Success Beyond Numbers, with a more integrated approach by laying down some crucial cornerstones.

Moving up the gear in Sustainable Finance

Firstly, we initiated an overhaul of our products and services, establishing a road map towards creating a more sustainable

offering of financial products and services so that such practices may ultimately become one of the key drivers for our growth.

Realising that we needed the right structure to take on this significant challenge regarding sustainable financing, we created a workgroup tasked with crafting a roadmap for establishing the required framework. To this end, in August 2021, we launched a request for proposal to find the right partners to support us in developing this strategy.

Progress towards gender equality

Although we believe that numbers are not the only yardstick defining our success, gender equality is an area where numbers matter.

In 2019, we took a hard look at the gender figures and realised that the glass ceiling was very real in management positions. This prompted us to take action, committing to achieve a ratio of 40% of women at the middle and senior management levels by 2026.

To give more form and substance to our actions, we established a Gender Equality Charter earlier this year together with an action plan. Cognizant that gender diversity underpins success, we are confident that this objective will contribute to our post-COVID-19 economic recovery. That is why we have included in this report a large number of portraits of women from every imaginable métier to celebrate the contribution of women to the economic life of Mauritius.

Stimulating economic growth

Another area where our efforts have been reinforced is our commitment to making Mauritius a more resilient and prosperous island. We published the 'Lokal is Beautiful' study in 2018, highlighting the potential for developing the island's economy from within. This year, we launched 'Lokal Rebound', a report that identifies business opportunities for local entrepreneurs, focusing on new industries with the strongest potential for jumpstarting the island's economic recovery. The ultimate objective is to diversify the local economic fabric so that it can meet local needs while at the same time creating more sophisticated, high value-added industries.

Being aware that local entrepreneurs need a helping hand in these uncertain times, we launched 'Punch', an online platform that allows entrepreneurs to collaborate, share resources, find new markets and seize new opportunities.

Towards climate neutrality

Moving forward, MCB intends to be an active participant in the transition of Mauritius to a low carbon economy. As the country's leading bank, we consider it our responsibility to offer financial solutions that make this transition possible and ultimately accelerate it. This commitment is of utmost priority as we believe that the time to tackle climate change is now. We are especially comforted in our actions by the Government's ambitious commitment to increase renewable energy to 60% in the energy mix by 2030. We share this ambition and will do our best to be part of this objective together with local stakeholders.

We recently invested in the 3rd Livelihoods Fund, committing 5 million euros over 24 years. I believe this is a good indicator of MCB's strategic ambition to become a prominent player in sustainable finance and climate action. This investment is helping to create exceptional networking opportunities with the Livelihoods team as well as with global companies, from whom it is both humbling and highly motivating to learn about world class experiences and best practices.

Emulation will undoubtedly motivate us to achieve better integration of sustainability for our Group. Having laid such solid foundations this year, I look forward to many more achievements with our stakeholders: To Success Beyond Numbers!

MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER



A sustained focus on sustainability in turbulent times

It has been almost two years since the pandemic took the world by storm, hitting our island with all its might. Today, as its consequences continue to be felt in Mauritius and beyond, I am proud to report that we stand as committed as ever towards sustainability. If anything, our commitment has been strengthened! Amidst the unprecedented challenges, much has been accomplished, as you will discover in this report. Most importantly, we have laid a solid foundation this year to achieve a more integrated approach to sustainability, strengthening the Group's sustainability programme, 'Success Beyond Numbers.'

Towards deeper integration of sustainability into our corporate culture

As we continue to progress and provide thought leadership on key sustainability matters, our stakeholders increasingly expect us to set higher standards and further integrate sustainability into everything we do. We believe this begins with a strong governance. This year, we have stepped up our efforts to make sustainability an integral part of our strategic processes, particularly via our Remuneration, Corporate Governance, Ethics and Sustainability Committee, and Corporate Sustainability Committee, and throughout our business units and subsidiaries. Moving forward, we intend to work towards deeper integration of sustainability into our products by creating a dedicated unit within the Bank to embed sustainable finance principles into every sizable project. However, the road towards sustainable finance is long. Our challenge is to accelerate the change in how we do business, so that finance becomes a lever to accelerate the transition towards a new, more inclusive, climate-friendly economy, which takes into account the costs and benefits for the people and planet.

Alain Law Min
Chief Executive Officer
MCB Ltd

‘Lokal is Beautiful’: From visionary stance to plain necessity

This is an area where we have been focusing our effort during the last few years, and which has become more prominent with the pandemic. Indeed, the ensuing crisis has revealed the vulnerability of our economy, highlighting the need for a more resilient and vibrant local economy. Back in 2019, when we launched ‘Lokal is Beautiful’, there was some interest in the business community and the general public but no real sense of urgency. In light of the crisis brought by COVID-19, when disruptions in the supply chain sparked difficulties for businesses across the island (particularly SMEs), ‘Lokal is Beautiful’ is now more relevant and urgent than ever before. Indeed, diversifying local economies to better meet local needs and avoid future shocks has become a priority for many, both in Mauritius and worldwide.

Supporting local entrepreneurs

MCB intends to pursue its efforts to stimulate the local economy and take decisive actions to support the island’s recovery by promoting local entrepreneurship and generating synergies between local SMEs, notably via our recently launched ‘Punch’ platform. Indeed, our involvement with the local SMEs has highlighted that our entrepreneurs need is not just new ideas (they have plenty) or financing; rather, what they need is market access and guidance in upgrading their products. We believe that an important solution in this respect is to facilitate the clustering of SMEs working in similar industries and those forming part of their value chain, to generate synergies via sharing of expertise and resources that will bolster efficiency. Furthermore, as the leading bank in Mauritius, we believe that we can facilitate exchanges and connections between SMEs and economic operators to provide market access and business opportunities for the small businesses, hardest hit by the crisis.

Message from our Chief Executive Officer

Taking decisive steps forward on our climate journey

Since publishing our 'Klima Neutral 2050' report in 2020, we remain committed to achieving our vision of a carbon neutral Mauritius, and we continued our work to stimulate the island's climate transition. We believe this is one of our biggest challenges with respect to our environmental responsibility. Interestingly, the pandemic has raised increased awareness on the issue of climate change. Now, more than ever before, there is a growing global concern and urgency for climate action, with governments and businesses expected to lead the way. Local regulatory authorities are increasingly aware of climate risks, with the Bank of Mauritius publishing a guideline on the disclosure of climate-related and environmental risks, and the setup of the Climate Change Centre, in order to raise awareness and build capacity on the subject and support the development of sustainable finance. This renewed commitment paves the way for much-needed private/public partnerships to stimulate renewable energy production on a much broader scale, a process that is ongoing and has already started to bear its fruits. Today, 24% of electricity generated on the island comes from renewable sources. We have come a long way, but much progress remains to be achieved.

Financing Mauritius' climate transition

In this context, we believe that it is time to accelerate climate action in Mauritius. As the island's leading bank, we wish to create the financial conditions for renewable energy and environmental projects to flourish, whilst collaborating with the Government and investors. This year, we have taken a number of concrete steps to this effect, from raising awareness and discussing continuously with internal and external stakeholders, to reviewing and developing green credit schemes as announced at the 'Klima' conference last year. In doing so, we intend to do our part not only in leading Mauritius in its transition towards a climate neutral society but also in leveraging the climate crisis as an opportunity to create a new, more innovative and prosperous economy.

A renewed and lasting focus on well-being throughout the pandemic

From the very start of the pandemic, our focus has been on the well-being, and health and safety of our employees and their families. This focus remains at the forefront of our sustainability efforts today. This year, to ensure the safety of our teams, as the COVID-19 crisis continues to unfold, we have facilitated vaccinations for our employees, distributed individual lunch packs to avoid gathering of employees in our canteens, and provided special transport facilities so as to avoid public transportation during the lockdown period and beyond. Moving forward, as our country opens up for business, we are constantly reviewing our work protocols that will best care for our employees and customers within these new parameters.

Bridging the gender gap: Towards better integration of women in management positions

Another area of focus this year has been gender equality. In 2019, we made a commitment to fill 40% of our middle and senior management positions with women, by 2026. We are aware of the challenges ahead and we have taken some important steps forward with the establishment of our new Gender Equality Charter and development of a specific action plan based on the outcome of the Gender Equality self-assessment conducted with the Agence Française de Développement. This will include providing the necessary support and development for women employees to achieve managerial positions. This year, we also raised awareness on gender equality through dedicated campaigns while stepping up our efforts to provide the necessary support for our employees and to strike a satisfactory balance between work and personal life, a key success factor to achieving managerial positions. In the wake of the pandemic, we hope that greater flexibility provided by the widespread practice of new modes of working, combining work from home and onsite presence, will further contribute to bridging the gender gap.



From left to right:

Anouchka - Singer

Tessa - Tattoo Artist

Akasha - Software Engineer

Sindamane - Restaurant Owner/Cook

Sharadha - Housewife



OUR APPROACH TO SUSTAINABILITY

MCB Group strongly believes that its contribution to sustaining the economic development of the countries in which it operates is paramount. Launched in 2018, our Corporate Sustainability Programme, 'Success Beyond Numbers', articulates our commitment to being a responsible organisation. Our approach to embedding sustainability is founded on the material issues of the Group and Mauritius, and is underpinned by international principles, standards, and frameworks that we have adopted over the years.

In addition to the United Nations Sustainable Development Goals (UN SDGs) that define global priorities for 2030, our way of doing business is governed by three main sets of principles: United Nations Global Compact (UNGC) principles, Equator Principles, and United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking (PRB). It includes assessment and management of several aspects throughout our value chain - that is, our direct daily operations and financing activities. These aspects are, among others, human rights, labour, environment, anti-corruption, governance, climate, natural resources, and culture. Furthermore, we have identified 11 priority UN SDGs that are aligned and relevant to our operations and the local context.

Our material topics have been identified according to the findings of two key analyses:

- Gapframe, which is based on the Sustainable Development Goals
- Datamaran* Artificial Intelligence-powered analysis which highlights the most salient regional and sectoral sustainability issues tackled by peers of MCB in their sustainability reporting in 2018



*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 Approach to Sustainability

Moving forward on our sustainability journey

We have made significant progress since the launch of 'Success Beyond Numbers' in 2018. On the governance front, three committees were designated by the Board of Directors of MCB Group to monitor the progress of its Corporate Sustainability Programme (CSP):

- 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 CSP. The team has expanded and is now composed of six members. A growing awareness of sustainability topics across the organisation, including the overseas subsidiaries, has started thanks to management's commitment and participation as well as continual dialogue with the sustainability team.

As a founding signatory member to the UNEP FI Principles for Responsible Banking, MCB Ltd is actively working on its implementation with the collaboration of colleagues from several functions across the Bank. The Principles aim to align the Bank's business strategy with the Paris Agreement and UN SDGs while starting with an assessment of the impacts relating to the people, planet, and prosperity of its financing activities. We are currently conducting a detailed impact analysis that will identify our most significant positive and negative impacts, therefore guiding us to set targets for effective management of our impacts. On another note, applying the Equator Principles to specific loans and project finance has successfully helped the Bank proactively identify and mitigate environmental and social risks. Furthermore, we have joined the UNGC Climate Ambition Accelerator programme to learn and acquire sufficient knowledge and skills towards setting science-based emission reduction targets following the Paris Agreement.

In light of the ongoing events and discussions around climate, together with its consequences on the planet, people and economic development, the Group has initiated a process for developing a sustainable finance framework for the organisation. We continue to maintain our focus on environmental and social risks, including climate, and further integrate these into our existing risk management framework to foster business resilience. On the international level, the 26th session of the Conference of the Parties (COP 26) to the United Nations Framework Convention on Climate Change has had a significant worldwide influence. The COP 26 focused on four goals:

1. Contribution of countries to global net zero by 2050, keeping the global warming 1.5°C within reach
2. Setting up adaptation and mitigation strategies to protect communities and natural habitats
3. Mobilising finance, particularly from developed countries and international financial institutions
4. Working together to combat the climate crisis – governments, businesses and civil society

MCB Group believes it has the responsibility to promote sustainable financing through collaboration with key stakeholders, including clients. This is also in line with the Mauritian Government's commitment, stated in its 2021-2022 budget, to increase the share of renewable energy in the national energy mix to 60% by 2030, as well as phase out coal and promote electricity generation from solar and wind energy.

Key progress made in our sustainability agenda



A vibrant and sustainable local economy

- In line with the 'Lokal is Beautiful' initiative, we commissioned a study entitled 'Lokal Rebound' to encourage local players to identify opportunities for boosting the local economy following the pandemic
- The 'Punch' online platform was launched to connect entrepreneurs with companies or professional service providers to help them grow their business
- The development of a sustainable finance framework is in progress



Our environmental and cultural heritage

- We have been monitoring our direct energy, water and paper consumption, and greenhouse gas emissions against set targets
- We have provided loan facilities to our staff for the purchase of electric or hybrid vehicles, and installed photovoltaic based charging stations for their use
- The integration of climate risks into our business risk management process as well as the assessment of corporate customers' carbon emissions are in progress
- The Bank did not finance any coal trading during the year



Individual and collective well-being

- We established the MCB solidarity fund to provide financial assistance to staff who are affected by COVID-19 or any natural disaster
- 80% of our staff (MCB Group) are vaccinated against COVID-19 (at least one dose - October 2021)
- The Gender Equality Charter of MCB Group was established to promote gender equality
- We launched an online learning platform for our staff – Percipio



Governance

- The Corporate Sustainability Committee was set up to monitor the progress of the sustainability programme
- We conducted training on environmental and social risk management policy and approach
- We implemented actions to enhance our cybersecurity resilience

Our Approach to Sustainability

MCB Ltd - Environmental and social targets for its operations excluding financing activities (base year - 2018)



	Target	Progress as at 2020
Carbon Neutrality	Contribute to carbon neutrality by offsetting residual carbon emissions	15,016 tonnes of CO ₂ -eq; Offset of 17,345 tonnes of CO ₂ -eq (residual emissions in 2019)
Energy Consumption	23% reduction in intensity by 2023 (electricity)	7%
Water Consumption	25% reduction in intensity by 2023	8%
Paper Use	Below 100 tonnes by 2023 (base year-2019)	196 tonnes
Gender Equality	40% women at middle and senior management level by 2026	30% (financial year 2020-2021)

The Board and Management organisation to oversee the Corporate Sustainability Programme

1

Board of Directors

The Board of MCB Group Ltd provides leadership and strategic guidance for achieving the Group's strategy within a robust risk management framework. It has established five committees to provide expertise guidance on material matters of the Group.

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

3

Corporate Sustainability Committee (CSC)

CSC has been set up as a sub-committee to assist the RCGESC in the discharge of their duties to monitor the progress of the Corporate Sustainability Programme across the organisation. It also assesses all aspects relating to sustainable development as well as ensuring implementation of strategies. The Committee meets on a quarterly basis.

CSC met four times during the year.

Key subjects discussed during the year:

- Commitments and challenges of implementing the sustainability programme
- Contribution to ADRA in Madagascar
- Climate: Livelihoods Carbon fund, MCB's Climate strategy and implications
- Sustainability initiatives at MCB Seychelles
- Sustainable Finance project and priority focus for next 3 years
- Review and approval of Environmental and Social Risk Management Policy

2

Remuneration, Corporate Governance, Ethics and Sustainability Committee (RCGESC)

In addition to providing guidance to remuneration, corporate governance and ethics matters, the RCGESC monitors the Corporate Sustainability Programme across the Group. The Committee meets at least twice annually.

4

Sustainability Strategic Council (SSC)

SSC ensures that proposed initiatives are in line with the sustainability programme and approves budget for their implementation. SSC is composed of Chief Executives (Bank and Group), Heads of Strategic business units and the sustainability team.

SSC met only once owing to the pandemic.

Key subjects discussed during the year:

- Gender action plan and approval of Gender Equality Charter

5

Sustainability Coordinating Team (SCT) meeting

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

Our Approach to Sustainability

Our commitments and partnerships



Global Compact
Network Indian Ocean Region



Global Compact
Network Mauritius



ESG Ratings

MSCI
ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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In January 2021, MCB Group received a BBB ESG Rating.

ecovadis

MCB Ltd obtained a sustainability score in the 71st percentile, equivalent to a Bronze medal (2020 assessment by EcoVadis)

Disclaimer :

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Stakeholder engagement



Principles 3, 4

The Group continuously engages with its key stakeholders through various channels to understand their requirements and respond to their needs. As a key focus area, the Group upheld dedicated actions to strengthen its interactions with stakeholders and help them manage the ramifications of the particularly challenging operating environment triggered by the COVID-19 pandemic.



Employees

Key expectations	Engagement channels	Key objectives and metrics
<ul style="list-style-type: none"> • Safe, positive and inspiring working conditions and operations supported by flexible work practices • An empowering and enabling environment that embraces diversity and inclusivity • Fair treatment and strict adherence to meritocracy principles • Reasonable reward and career advancement structures and opportunities 	<ul style="list-style-type: none"> • Engagement survey • Discussion platforms • Workplace <i>(Internal communication platform)</i> • Performance management system • Training sessions including Talent Management Programme 	<ul style="list-style-type: none"> • A diverse and inclusive employee profile • Employee retention and turnover rates • Employee satisfaction and engagement surveys • Sustainable workplace solutions, including reduced office footprint • Workforce equipped with future ready skills • Training and development hours per employee

Our Approach to Sustainability



Customers

Key expectations	Engagement channels	Key objectives and metrics
<ul style="list-style-type: none"> • Innovative and customised financial solutions • Safe and convenient access to banking through a wide range of channels • Excellent service quality and competitive pricing • Transparent and timely advice on offerings • Security and privacy of transactions • Effective process for dealing with complaints • Greater proximity in a difficult context with accompanying relief measures 	<ul style="list-style-type: none"> • Surveys • Digital platforms and mobile application for banking services • Focus groups • Social media • Branch teams and kiosks • Relationship Managers 	<ul style="list-style-type: none"> • Lifelong relationship with clients • Brand value among banking peers • Net Promoter Score and client satisfaction ratings • Client complaints and outcomes • Market shares • Awards and recognitions



Shareholders and Investors

Key expectations	Engagement channels	Key objectives and metrics
<ul style="list-style-type: none"> • Resilient financial performance and adequate dividends • Protection and growth of investment • Robust business model • Sound governance practices • Transparent reporting and disclosure • Sound ESG practices 	<ul style="list-style-type: none"> • Annual Meeting • Online interface • Earnings calls • Analysts meetings • International road shows • Conference calls and meetings 	<ul style="list-style-type: none"> • Return on equity • Earnings per share • Dividend per share • NAV per share • Share price performance • Level and quality of externally sourced funds • ESG ratings • Investment grade credit rating of MCB Ltd



Authorities and Economic agents

Key expectations	Engagement channels	Key objectives and metrics
<ul style="list-style-type: none"> • Promotion of sound and efficient financial systems in countries where we operate • Contribution to economic and financial development as well as financial literacy • Strict adherence to relevant laws, codes, guidelines and principles • Meaningful interactions with authorities for proper monitoring of activities • Participation in discussions on topical, regulatory and economic issues • Provision of tailored support that will contribute to the advancement of entrepreneurs and businesses • Understanding and appraisal of the Group's operating environment for informed decision taking by foreign counterparts 	<ul style="list-style-type: none"> • Meetings and discussions with the regulatory bodies, the Mauritius Bankers Association, Business Mauritius, Economic Development Board and other institutions • Regular meetings • Reports submission • Thought Leadership publications 	<ul style="list-style-type: none"> • Financial soundness indicators • Economic contribution in countries where we operate • Best-in-class policies based on ethical behaviour • Strong risk management and compliance set-up • Adherence to regulatory requirements

Our Approach to Sustainability



Societies and Communities

Key expectations	Engagement channels	Key objectives and metrics
<ul style="list-style-type: none">• Dedicated incentives and initiatives to promote social progress and financial inclusion in countries where we operate• Sound management of natural resources to promote sustainable development• Entrenching of eco-friendly practices in our operations and provision of solutions to support sustainable development• Promotion of cultural heritage	<ul style="list-style-type: none">• MCB Forward Foundation• Ongoing dialogue with NGOs and partners• Sponsoring events• Social leave programme	<ul style="list-style-type: none">• Access to credit and financial products for all• Projects financed by the MCB Forward Foundation• Sponsorships and media campaigns• Financing of sustainable development initiatives• Adoption of sustainable habits by internal and external stakeholders• Reduction in our carbon footprint from operations and business activities• Higher share of energy consumption from renewable sources

 Read more in
MCB Group Annual Report 2021

RESPONSIBLE BUSINESS

Alignment with SDGs, UNGC, UNEP FI PRB



We believe that our strong ethical culture contributes to fostering a responsible organisation, building greater trust and strengthening stakeholder relationships. Our Code of Ethics, Corporate Values, and Policies, and applicable laws and regulations underpin our responsible governance. In line with its Corporate Sustainability vision, particularly ‘responsible behaviour and governance’, the Group has, over the years, worked to:

- Ensure compliance with corporate policies and relevant laws and regulations
- Ensure robust risk governance and internal controls
- Provide fair treatment and better experiences to customers
- Prevent corruption and money laundering
- Continue to ensure financial data privacy and security
- Engage our people to promote an ethical culture and business

As key internal stakeholders, our employees also have a vital role in maintaining the reputation of the Group and contributing to its responsible governance. Employees’ awareness regarding ethics and associated policies is raised 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. Moreover, the Head of Compliance Strategic Business Unit of MCB Ltd also relays information on an ad hoc basis, on key changes in the process, in addition to regular announcements of changes in compliance checklists, policies and procedures.

Compliance with policies and regulations

- Code of Ethics
- Whistleblowing Policy
- Information Security Policy
- Conflicts of Interest and Related Party Transaction Policy
- Anti-bribery & Corruption 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
- International reporting requirements as applicable
- Basel principles

Respecting human rights

In line with its commitment to comply with the Ten Principles of the United Nations Global Compact (UNGC), 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 UNGC principles have been 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 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 with all customers before undertaking any business transactions
- Our Environmental and Social Risk 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.

Prevention of corruption, fraud and money laundering

Protecting our customers from potential fraudulent transactions is part of our role as a responsible Group. Our clients are regularly informed of fraud prevention advices through the Group’s website, our mailing system and communication campaigns. We closely monitor any applications and requests suspected of fraudulent activities or associations.

At the country level, it is comforting to note that the Financial Action Task Force (FATF) has acknowledged that significant progress has been achieved in addressing the strategic deficiencies that had been identified in respect of the effectiveness of the country’s Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regime.

[Read more in MCB Group Annual Report 2021](#)

Whistleblowing

Furthermore, it is our duty to sensitise our employees and encourage them, and external stakeholders, to raise any concerns regarding potential breaches of compliance with laws, rules, and regulations without the risk of victimisation and discrimination. Our whistleblowing mechanism has been designed to prevent undesirable actions that are likely to harm the organisation’s reputation. During the year, one case was reported through the whistleblowing hotline; its investigation is in progress.

For the year ending 30 June 2021



Information security and customer privacy

We, at MCB Group, are responsible for ensuring the privacy and security of financial data relating to our customers and employees. In addition to complying with the national Data Protection Act (DPA) 2017 and the European Union General Data Protection Regulation (GDPR), we have an internal policy on ‘Handling of Confidential Information’. Several projects were implemented during the year under the guidance of the Information Risk Management Business Unit of the Bank, which contributed to enhancing data privacy and security. Our Information Security Policy is publicly available on our website and informs our diverse stakeholders about the importance of safeguarding data. We have also had many initiatives to improve our cybersecurity resilience. Besides, our employees received training in various areas, namely GDPR, Work from Home, DPA, and phishing.

Environmental and social risk management

In accordance with its Environmental and Social Risk Management (ESRM) Policy and the Equator Principles, MCB Ltd ensures that environmental and social risks are identified, mitigated, and monitored for loan amounts greater than or equal to USD 2 million and having a maturity of at least 24 months. The Equator Principles aim to implement due diligence to support responsible risk decision-making in five financial products, namely, project finance advisory services, project finance, project-related corporate loans, bridge loans, and project-related refinance and acquisition finance. To ensure compliance with these principles, the Bank has established an ESRM Policy to guide its various teams and engage with customers, thereby being proactive in risk management.

Moreover, we are gradually integrating the recent version of the Equator Principles into our operations. Some key elements of the principles are:

- Human rights - Focus on respect for human rights in line with the United Nations Guiding Principles on Business and Human Rights by carrying out human rights due diligence
- Climate change - Improve the availability of climate-related information when assessing the potential transition and physical risks of projects financed
- Biodiversity conservation

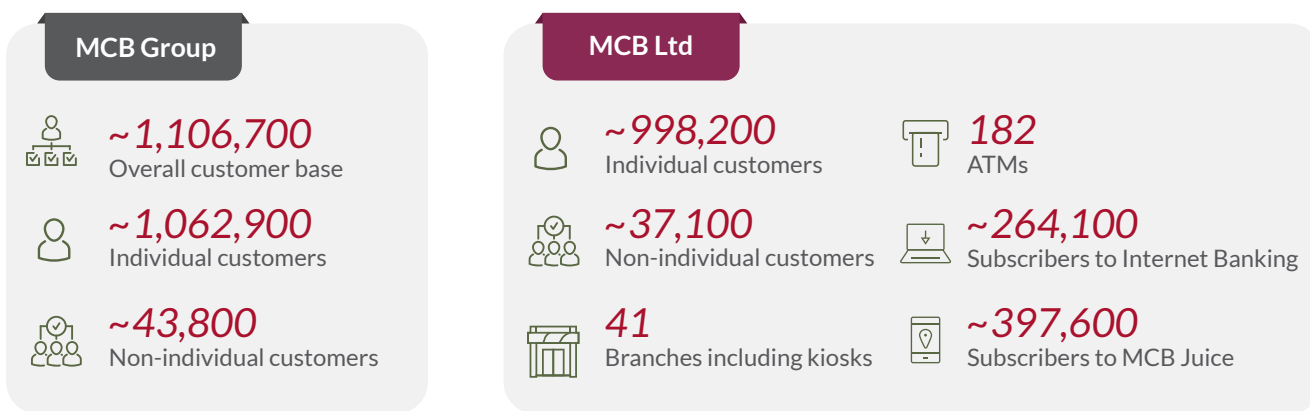
In 2021, ESRM training was provided to **105** colleagues, including Relationship Managers and Credit Structuring team, and the Financial Institution and Syndication, Specialised Finance and Global and International Corporates business units. The training focused on raising awareness of the ESRM approach and policy as well as emphasising the roles and responsibilities of people involved in the process.

Projects financed from July 2019 to June 2020 that required an ESRM process as per the Equator Principles:

<p>Project Finance transactions</p> <p>1 Project in Category B</p> <p>Sector: Cold Storage Geography: Europe, Middle East & Africa</p>	<p>Project-related corporate loans</p> <p>2 1 Project in Category A 1 Project in Category C</p> <p>Sector: Hospitality Geography: Europe, Middle East & Africa</p>
<p><small>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</small></p>	

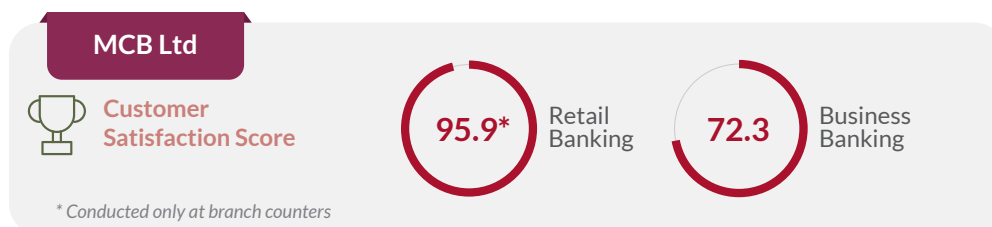
Serving our customers

The Group’s focus has always been providing customers with the right solutions that meet their needs. We offer tailored and simplified solutions and experiences and constantly seek to improve the accessibility of our products and services. Building on this goal, we continuously monitor and enhance the service level to provide an excellent customer experience. Furthermore, we engage with our customers through effective complaint management, contributing to better experiences overall.



In line with the organisation’s strategy to build and offer a world-class customer experience, the Customer Lab, has been established in the Marketing and Communication Strategic Business Unit. The Customer Lab aims to help the Bank and all business stakeholders embed customer feedback and experience in their operating models and core processes, including new product development and strategic planning as well as enable MCB to shape and nurture a customer-centric organisation and help foster a culture of continuous improvement.

One key mandate of the Customer Lab (since December 2020) has been implementing customer experience frameworks for all lines of business to measure customer experience continuously through various channels and publish the feedback and metrics in real-time dashboards. To evaluate the different dimensions of customer experience, the Customer Lab uses and keeps track of the following metrics.



Responsible Business

The Bank has been focusing on digital accessibility to help our customers with their banking transactions. The importance of this was highlighted during the COVID-19 pandemic. A series of actions were taken to allow our customers undertake their banking transactions in a convenient way over the years.

Corporate and Institutional Banking

- Reorganisation of the Customer Service Representative structure for efficient handling of customers' needs
- Encouraging customers to transition to remote channels to facilitate transaction processes
- Onboarding a larger number of customers on internet banking
- SmartApprove application designed for corporate clients for faster approval of transactions via mobile, tablet or laptop

Business Banking

- Availability of six hubs for transactional services while a dedicated telephone line remains at customers' disposal for transactional needs and requests
- Mobile banking application available for local businesses – JuicePro
- Online business account opening – a quicker way to open an account
- Provision of additional features such as a free business deposit card to deposit funds 24/7 at an Automated Teller Machine (ATM)

Retail Banking

- Appointment booking system for customers to schedule meetings with the Bank's staff
- Simplifying loan application, processing and disbursement
- Additional kiosks are available for bank transactions across branches
- Special counters for customers with special needs
- MCB Juice (mobile application) was rebranded to a more user-friendly version with increased performance capabilities
- Use of e-KYC app to simplify the customer onboarding process, resulting in a significant drop in serving time

Private Banking and Wealth Management

- Promoting our digital channels, including contactless payment features on premium cards and increasing payment's limit
- Adapting our value proposition – notably in terms of credit relief and working capital facilities – to help our clients navigate the volatile market conditions and offer optimal solutions
- Essential banking services continued during the pandemic while maintaining access to markets for wealth management customers

 Read more in
MCB Group Annual Report 2021

Customer complaints management

We have made significant changes to improve our customer complaints management, including the enhancement of the complaints handling platform to enable our staff to monitor complaints efficiently. We plan to extend this platform to the business units of the Bank and subsidiaries of the Group. Complaints are grouped into several categories, namely, customer service, loan, technical, fees and charges, internet banking, and fraud claims.

MCB Ltd - Customer complaints in financial year 2020-2021



Responsible Business

Financial literacy

The Group believes that helping people better understand financial concepts will improve their financial knowledge and contribute to building a more inclusive and sustainable economy. We ensure that clear and fair information about our products and services is provided to our customers. During the year, we have raised awareness among the population on subjects, such as digital literacy for banking transactions.

MCB Consulting, in collaboration with the MCB Forward Foundation provided four sessions on financial literacy for 150+ people. The training was offered to the MCB Football Academy families to teach them about intelligent spending and budget monitoring. As part of its digitalised financial solutions, MCB Consulting has contributed to the ability of many people in Africa to access financial services.

Moreover, MCB Seychelles has also promoted financial education in Seychelles through collaboration with the United Nations Youth including financial workshops such as Global Money Week, Silver Lining and the Future Cost workshops.

Supporting our customers during this pandemic

Throughout the pandemic, we have provided utmost care to our customers, by maintaining our essential services open while guaranteeing their safety. Furthermore, we have taken certain exceptional measures to accompany our customers in this difficult period:

- We have assisted our customers and helped them alleviate their financial burden by being flexible in our banking services and promoting digital channels and payment solutions
- Various entities of the Group provided moratoriums/repayment holidays on capital repayment and/or interest payment as well as rescheduling of existing facilities over a longer period of time. The Bank of Mauritius allowed for banks to extend moratorium on loans granted to economic operators, SMEs, households and individuals impacted by COVID-19 to 30 June 2022
- We have provided working capital facilities to our local customers with flexible repayment and pricing terms

 Read more in
MCB Group Annual Report 2021



One of our priorities has been to maintain our levels of customer service while also upholding strict sanitary protocols



We have deployed sanitary measures in all our branches and premises to keep our customers and staff safe

Looking Ahead

The Group will continue to operate within the regulatory framework and advocated norms to secure its stakeholders' trust. We are committed to enhancing and strengthening environmental, social, and governance policies and practices and complying with international frameworks, standards and principles.



From left to right:

Sophie - SFX Make-up Artist

Urvashi - Doctor, Specialist in Internal Medicine

Annabelle - Graphic Designer

Marie-Noëlle - Communications & Public Relations Strategist

Linisha - Aquarist



A VIBRANT AND SUSTAINABLE LOCAL ECONOMY

Alignment with SDGs, UNGC, UNEP FI PRB



MCB Group, via all its subsidiaries, contributes to the economic and social development of the countries in which it operates through its products and services, employment opportunities along its value chain, and tax contributions. With the launch of its Corporate Sustainability Programme in 2018, the Group has redefined its business purpose and practices to achieve a more sustainable prosperity. We aim to create an environment that boosts local production and consumption and enables economic growth. The Group is contributing to the growth of a sustainable and resilient Mauritius by encouraging the adoption of a circular economic model and sustainable practices and by leveraging on the skills and expertise of local players.

The country and its economy are still struggling with the impact of the pandemic, with the economic recovery expected to be gradual. The Government and businesses are called upon to reconsider their strategies and devise innovative ideas to recover and contribute to a more resilient economy. The Mauritian Government's 2021-2022 budget is built around three strategies: recovery, revival, and resilience. Measures in this direction have been announced. We have amplified our efforts to provide tailored solutions aligned with the Government's objectives.

MCB Ltd - Operating income in financial year 2020-2021



Sustainability in our products and services

We are gradually integrating elements of sustainability across our range of products and services and investigating potential avenues to boost the local economy and collaborate with various stakeholders. Some new products and services with sustainability aspects have been developed to complement existing ones in different lines of business. We have recently set up a specific working group to deepen our understanding and develop a roadmap for a sustainable finance framework, which, in time will serve as a new foundation to drive the Group's growth. A request for a proposal was launched in August 2021 to identify a competent professional organisation that would accompany us in creating a sustainable finance framework. Besides, we are committed to supporting our clients on their journeys to recovery from the impact of the COVID-19 pandemic and helping them adopt sustainable practices.



"As an African bank, our goal is to support the countries and markets in which we operate. While Africa's situation cannot be compared to other continents, still there is a growing awareness of the impacts of climate change on society, business and economic development, and the urgency to act and build a sustainable Africa is undeniable. We are committed to be part of providing solutions to our customers in view of financing the needed transition to a low-carbon economy by integrating ESG factors into our products and services. MCB has been active on the sustainability front for quite some years now, but few has been implemented in terms of dedicated ESG and low carbon financing products. We are now moving to a next phase with the set up of a dedicated operational team and governance together with a specific envelope for sustainable financing. Additionally, we are working on some specific projects with our clients, which will materialise within the next few months. Together, with the collaboration of all relevant stakeholders, namely governments, customers and economic institutions, we will create sustainable business opportunities for all in line with Mauritius' and Africa's needs and promote its socio-economic development."

A Vibrant and Sustainable Local Economy

SUNREF Green loan

MCB Ltd has been a partner to the Agence Française de Développement (AFD) for financing development projects under the SUNREF (Sustainable Use of Natural Resources and Energy Finance) programme since 2009. In September 2018, a third line of credit of EUR 45 million out of a national line of EUR 60 million was granted by AFD to finance projects and provide technical assistance related to clean energy and climate change mitigation and adaptation solutions as well as gender equality. Individual customers, Small and Medium Enterprises (SME) and corporate clients can all benefit from this loan facility.

Because of the prevailing COVID-19 crisis in the country, there has been no additional loan disbursed under SUNREF during the year. Despite the crisis, the Bank is promoting the SUNREF scheme by hosting virtual forums for prospective and existing customers. Accordingly, the demand for green loans has started gaining momentum with a few projects awaiting approval.

It is worth highlighting that MCB Madagascar has signed its first line of credit of EUR 6 million with the AFD under its green finance label SUNREF. This credit line will 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.



The tomato grower, Esprit Vert, has obtained a green loan from MCB through the SUNREF credit line

Green Lease

Green Lease is another financing product, launched by MCB Leasing in December 2020 for individuals and businesses willing to adopt sustainable solutions. It focuses on covering the acquisition costs for electric or hybrid vehicles and installation of photovoltaic based charging stations at a fixed interest rate of 4.75% per annum. The product's launch has been quite successful. During the financial year 2020-2021, the amount disbursed was Rs 66 million for vehicles.

GreenDrive initiative

A GreenDrive loan scheme with lower interest rates is currently being offered to our employees to encourage them to choose electric or hybrid vehicles. Launched in June 2021, on World Environment Day, this initiative is another key action in line with our climate commitment to shift from fossil fuels to cleaner energy systems. As such, the Bank has negotiated with car dealers to provide special offers for its staff. Additionally, MCB Ltd has installed solar-powered charging points for employees to charge their vehicles. From June through August 2021, loans of Rs 19 million were disbursed for the purchase of electric and hybrid vehicles under this scheme, which is equivalent to around 40% of total car loans granted to staff.



Our employees can take advantage of a GreenDrive loan scheme and solar-powered charging points on our premises

A Vibrant and Sustainable Local Economy

'Lokal is Beautiful'

The 'Lokal is Beautiful' (LIB) initiative aims to inspire entrepreneurs to explore three avenues in order to build a prosperous, sustainable and resilient Mauritius: Maker Island, Circular Island and Smart Island. To improve the accessibility to a wide range of customers, the LIB loan scheme launched in 2019, is currently being reviewed to create a proper business environment for SMEs to help them in this challenging period. This includes a revamped loan product for capital expenditure and working capital requirements, as well as the extension of the credit facility to middle market enterprises (MMEs). The benefits of the LIB scheme include project financing up to 100% with more flexibility and lower interest rates. Furthermore, a study entitled 'Lokal Rebound' was commissioned in 2020 as a key action under the LIB initiative to promote local production.

On this journey for promoting entrepreneurship and boosting local production, we have collaborated with key local players on several initiatives.



'Made in Moris' – MCB has a standing partnership with the Association of Mauritian Manufacturers for the promotion of the 'Made in Moris' (MIM) concept, which is a certification label indicating that a product has been manufactured in Mauritius and meets required standards. In 2020, MCB funded the new MIM campaign across the island, totalling Rs 3.5 million. Through social network posts, web series, radio spots, humorous mini-videos and banners in supermarkets, awareness was raised among the local population on the importance of local production and consumption and the need to support it, particularly in a post COVID-19 economic recovery.



Turbine – MCB is an official sponsor of Turbine Incubator since September 2020. The incubator empowers start-ups by providing professional services to help them in their growth journey. We provided a sponsorship amounting to Rs 500,000 in the financial year 2020-2021.



Business without Borders – This digital mentoring programme is a joint project between Australia and Mauritius to bring together women entrepreneurs and provide them with digital training. This programme, driven by the 'Association Mauricienne des Femmes Chefs d'Entreprise' (AMFCE), is sponsored by MCB because of its commitment to the greater inclusion of women at all levels. MCB sponsored this programme by contributing around Rs 500,000.

In addition to these initiatives, the Business Banking line has surveyed its SME clients to assess their business knowledge and appetite of sustainability practices. The focus is to integrate the Sustainable Development Goals and collaborate with SME clients to develop products and services that meet their needs, helping them to advance in their sustainability journey.

'Lokal Rebound'

Building on our objective to boost the local economy and in line with the LIB initiative, the Group has 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. Additionally, the key findings were presented via a webinar to various local stakeholders, including clients, the authorities, companies, NGOs, and Bank employees.



'Lokal Rebound' webinar – June 2021



Total attendees
352



Report downloads
386

Three avenues for redeployment of Mauritius' production fabric to stimulate the economy:

1. Optimisation of resources to improve synergies within or between existing sectors
2. Leveraging on local expertise and the Mauritian production heritage to develop new products and set up innovation hubs
3. Attracting new companies on the island to add new high value-added sectors into the production fabric in order to set up new operations

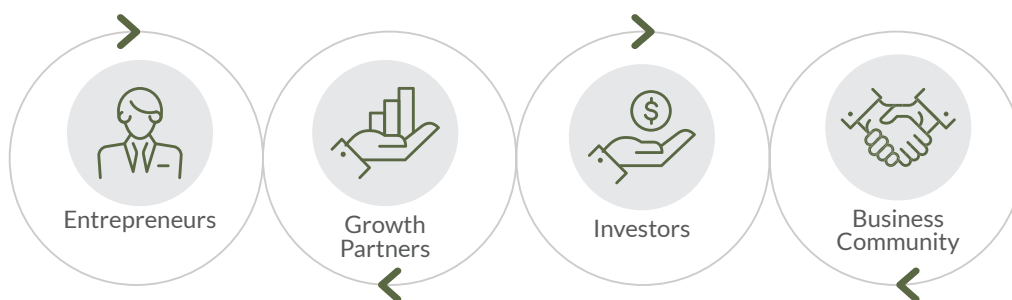
To inspire local stakeholders and reinforce the importance of improving local production and consumption, the webinar featured the business models of two companies striving for resilience and sustainability. The CEO of Iceland Ocean Cluster spoke about integrating the circular economy model - 100% utilisation of fish with zero waste generation in its operations. It is an outstanding and innovative approach in the seafood industry in Iceland. Moreover, locally, Ferney Agri-Hub presented its business concept on resource optimisation by offering shared facilities to agricultural entrepreneurs. The Estate Manager at Ferney Agri-Hub, highlighted the efficiency of the process whereby land, equipment and machinery are rented to entrepreneurs to grow crops.

A Vibrant and Sustainable Local Economy

Punch

Punch is a platform developed by MCB Ltd that aims to build a stronger and more sustainable entrepreneurial ecosystem through connecting entrepreneurs with investors, companies or professional service providers to help them grow their businesses. Launched in June 2021 in connection with the 'Lokal is Beautiful' initiative, this platform allows the business community to strengthen their supply chains during this challenging period through partnerships and collaboration. In addition, it gives them opportunities to promote local brands and offers alternative sources of business financing. More than 560 entrepreneurs have joined the platform since its launch. A Sustainability Health Check has been integrated into the journey to allow businesses to perform a self-assessment of their operations with respect to environmental, social, and governance criteria. More features aimed at reinforcing the health of the ecosystem will be developed on the Punch platform soon.

Entrepreneurs' Growth Journey on Punch



Sustainable investment through ESG funds

For our Private Banking and Wealth Management Strategic Business Unit, sustainable investing is at the heart of its strategy, offering its customers the possibility to invest in environmental, social, and governance (ESG) themed funds. These include funds related to sustainable technologies and clean environment such as Global Clean energy funds, Electric Vehicles and Driving technology ETFs, which are constantly added in our fund selection process. ESG credentials are among the key factors that we examined during the investment selection process for managed portfolios.

Besides, we are currently collecting ESG data for all lines in our portfolio. Our goal is building a consolidated ESG score to better understand the ESG performance based on their benchmarks for financial performance and ESG credentials. We intend to build a large ESG investment space to cater for clients that want to have ESG as their key portfolio driver. Additionally, we plan to set up a medium term target for managed portfolios' ESG scores to meet or surpass their benchmarks' ESG scores.

Financing natural gas

The Bank has participated in a syndicated project finance facility of USD 140 million to Karpowership, which has been operating a 235 MW Powership in Senegal since August 2019. This activity based on liquefied natural gas is contributing to around 15% of Senegal's electricity supply, therefore shifting away its dependence from heavy fuel oil.

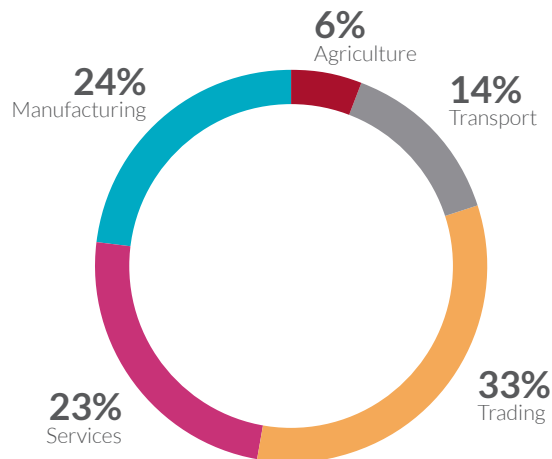
Microfinance

The Group, through MCB Microfinance, has an important role in the local economy as it promotes financial inclusion and empowers micro-entrepreneurs. MCB Microfinance, a non-banking subsidiary of MCB Group, provides small loans ranging from Rs 15,000 to Rs 800,000 to micro-enterprises and self-employed individuals. Loans are offered in various options such as working capital, investment and start-up. The microfinance sector, similar to other key economic sectors, also suffered from COVID-19 unprecedented impacts. The pandemic disrupted supply chains and forced temporary or permanent business closures. Acknowledging this difficult time, we supported our microfinance clients by rescheduling loans and offering grace periods. There were 941 rescheduled loans as of 30 June 2021.

As of 30 June 2021, 4,172 loans amounting to Rs 822.6 million including Rs 49.7 million in Rodrigues, have been disbursed since inception. MCB Microfinance represents around 0.1% of the Group’s financing products.



MCB Microfinance Ltd - Outstanding loans by sector as at 30 June 2021 (Rs 310.5 million)

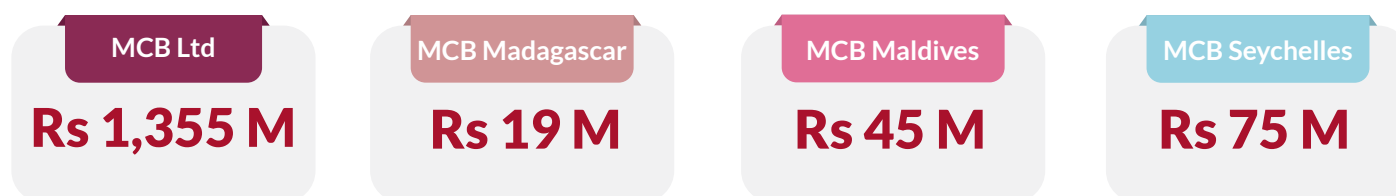


A Vibrant and Sustainable Local Economy

Tax responsibility

MCB Group believes that its direct and indirect tax payments benefit the socio-economic development of the countries in which it operates. These contributions provide essential revenue for public spending and the local economy.

Tax paid by the Group banking subsidiaries



MCB Ltd – Breakdown of tax charges*

MCB Ltd	
	Rs million
Income tax based on the adjusted profit	1,185
Deferred tax	(493)
Effect of change in tax rate	0
Special levy on banks	556
Corporate social responsibility contribution	107
(Over)/under provision in previous years	0
Provision for tax assessment	0
Charge for the year	1,355

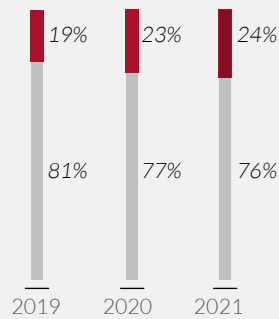
* Amount shown does not include Value Added Tax (VAT). The Bank remitted a total of Rs 86 million to the Mauritius Revenue Authority for the year ending 30 June 2021.

Procurement

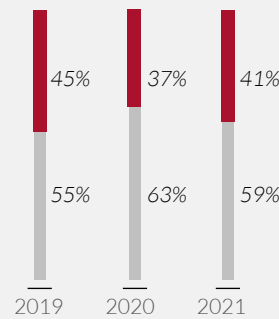
MCB Group favours the sourcing of products and services from providers who manage their environmental, social and governance aspects. We encourage purchasing from local suppliers as much as possible, except for some services that must be sourced from abroad, such as consultancy, and management of software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

MCB Ltd

Suppliers ratio (%) based on number of suppliers



Procurement spend ratio (%)



Local Foreign

Looking Ahead

Sustainable financing – We will continue promoting the financing of projects that foster economic and social development and counteract climate change. In this regard, we will retain the service of a consulting firm with the best technical expertise to guide us in establishing a sustainable finance framework. We will start implementing its recommendations by early 2022.

‘Lokal is Beautiful’ (LIB) – In line with our objective to promote initiatives boosting the local economy, we will develop sustainable business solutions and encourage our clients to adopt sustainable practices. The revised LIB scheme will help SMEs, MMEs and registered professionals sustain their business and operations. The Punch platform will be enhanced with additional features to reinforce the strength of entrepreneurial community. We will collaborate with other local players to encourage sustainable development within the SME community and support the ‘Made in Moris’ label to further promote local production and purchasing.

OUR ENVIRONMENTAL AND CULTURAL HERITAGE

Alignment with SDGs, UNGC, UNEP FI PRB



MCB Group recognises the importance of preserving the natural capital of Mauritius because it supports not only the economy, people and society, but also the ecosystem, biodiversity and habitat of many species. In 2020, the world has known some of the worst environmental and social impacts linked to rising global average temperature, which was about 1.2°C above pre-industrial levels. The World Meteorological Organisation (WMO), which documented climate indicators and their associated impacts in a report titled 'State of the Global Climate 2020', deduced that 2020 was one of the warmest years since 2015. That report emphasises the increasingly severe impacts affecting people, societies and economies, namely migration and displacement, increased food insecurity and damage to land and marine ecosystems. Additionally, the latest report issued by the Intergovernmental Panel on Climate Change (IPCC) emphasised on the urgency to take actions to combat climate change because the assessment showed that it is most probable that the world reaches the 1.5°C rise before 2040.

Mauritius, as a small island developing state, is vulnerable to these extreme events. The World Risk Report 2021 by Bündnis Entwicklung Hilft has ranked Mauritius 51st on its list of 181 countries with the highest exposure to disaster risk. Despite being the least responsible for climate change, Mauritius has ratified the Paris Agreement on climate change and has consequently submitted its Nationally Determined Contributions (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC), aiming to abate its national greenhouse gas (GHG) emission by 40% by 2030 through the implementation of mitigation and adaptation strategies.

The financial sector has a major contribution in this context of adaptation and building a resilient country. Article 2 of the Paris Agreement has placed the responsibility on the financial sector, stipulating the objective to make “finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development for sustainable development and to eradicate poverty”. In July 2020, the Bank of Mauritius, the country’s central bank, became a member of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) aimed at addressing climate change in the banking sector.

As a financial institution in the African region, MCB Group is exposed to climate risks owing to its financing activities in sectors such as energy, agriculture, manufacturing, transport, and construction. It is important to restate that the Bank’s direct environmental impacts generated from its daily internal operations are significantly lower than its indirect impacts from financing activities. Engaging with relevant stakeholders and collaborating with our clients are critical to responding to the challenge of climate change and transitioning to a low-carbon economy. Climate change is only one part of the environmental pillar, but it significantly influences a country’s economic sectors. The other elements that influence the environment are materials sourcing, water use, and waste generation.



Frederic Papocchia
Chief Risk Officer
MCB Ltd

“Climate and environmental risks, as illustrated by major natural catastrophes with significantly increased frequencies and intensities over the last decade, have become part of our new reality. These risks, including physical and transition risks, prompted by adjustments required to adapt to changes, for instance, in climate and/or environmental policies, can generate potential financial losses for the Bank. Those potential financial losses could, for instance, take the form of credit losses, which would result from borrowers’ loss of ability to repay their obligations due to, say, water pollution or new legislation taxing carbon emissions.

Though we are still at the very early stages on the matter, the Bank has embarked on a journey to build its roadmap for developing and implementing a proper risk management framework and governance model accounting for those risks. This framework will support the identification, quantification, and management of those risks in keeping with a risk appetite that will be set by the Board while also ensuring that the operational management of those risks is embedded in relevant processes, as is the case with any other risks.”

Our Environmental and Cultural Heritage

The Group has been working on several initiatives since the launch of its Corporate Sustainability Programme in 2018.

Direct significant impacts

- MCB Ltd has committed to managing its operational footprint, particularly its direct impacts by efficiently managing energy and water consumption, paper usage, and reducing carbon emissions

Climate journey

Pursuant to our commitment to help the country and our customers transition to a low-carbon economy, we have initiated various actions since 2020:

- Provision of a green credit envelope amounting to Rs 1 billion per year over three years (2020-2022) for financing low carbon projects
- Commitment to stop all new financing of coal infrastructure and trade worldwide, whether thermal or metallurgical, and stop financing new-coal fired power plants in Mauritius as from 2022
- Integration of environmental and social conditions in loan allocation to encourage customers to adopt sustainability practices
- MCB Ltd has carried out a benchmarking analysis of the existing methodologies for assessing climate risks including physical and transition risks. We are developing a roadmap for integrating climate risks into our financing portfolio following the Equator Principles, the UNEP FI Principles for Responsible Banking, and the Paris Agreement
- The Bank is at the initial phase in the evaluation process of the carbon footprint for its local financing portfolio
- Facilitating favourable loan conditions for our staff to purchase electric or hybrid vehicles
- Raising awareness of our employees on climate change, carbon emissions, and other environmental issues
- Investigating into the feasibility of installing solar panels for electricity generation in the Bank's buildings

Carbon offsetting

- The 'Klima Neutral' site (www.klima-neutral.com), the Group's online carbon compensation platform, allows companies including non-customers, to estimate and compensate their residual carbon emissions by selecting impactful projects based on criteria such as project type, geography and relevant SDGs. MCB Ltd has retroactively compensated its residual 2019 carbon emissions amounting to 17,345 tonnes of CO₂-eq. The Bank has contributed through the 'Klima Neutral' platform, to emission reduction projects, namely household biogas, wind power, and deforestation prevention in China, India, and Kenya, respectively.
- In line with its commitment to help companies compensate for their residual carbon emissions, MCB has committed to invest € 5 million from 2021 to 2040 in Livelihoods Carbon Fund 3, an impact investment fund. The fund is expected to generate its first carbon credits in 2024 to reach 800,000 credits at the end of 2040. The carbon credits will be used to offset the Bank's carbon emissions, and offered to clients who are committed towards carbon neutrality.



We are delighted with MCB's decision to invest in Livelihoods' Third Carbon Fund, launched in June 2021. Joining 14 companies and investors from different industries, MCB participates in this collaborative venture to fight climate change and improve people's lives, the very purpose of Livelihoods. For over a decade, Livelihoods has worked with committed companies and grassroots NGOs to accomplish large-scale projects with social and economic impact for rural communities. These projects generate high-quality carbon offsets, used by investors to complement their CO₂ emissions reduction strategies. The projects aim to empower local communities across the globe to make a living while combating climate change by linking the preservation and development of carbon-storing ecosystems with economic growth.

Investors, including MCB, are actively involved in the projects' design and commit for 24 years to improve the lives of 2 million people while generating up to 30 million carbon credits. We look forward to the fresh perspective that MCB, as Mauritius' leading bank and the first company from the Southern hemisphere joining Livelihoods, can bring to the fund, helping us craft new carbon projects with positive impacts on nature and people.

 Learn more about the Third Livelihoods Carbon Fund:
<https://livelihoods.eu/launch-of-a-new-livelihoods-carbon-fund-lcf3>

Our Environmental and Cultural Heritage

Our carbon footprint

The Group remains committed to reducing its carbon emissions under the Paris Agreement and supporting the country’s transition to a low-carbon economy. We are conscious that achieving carbon neutrality is only possible with collaboration between countries and organisations. Consequently, the Bank has set an objective to contribute to carbon neutrality by 2023 by compensating its residual greenhouse gas emissions generated from its direct daily operations. This includes Scope 1, Scope 2, and part of Scope 3 emissions, namely, employee commuting and business travel.

The Bank’s major sources of carbon emissions are derived from purchased electricity (Scope 2) and financing activities (Scope 3). We are currently enhancing the carbon measurement methodology by gradually adding significant upstream and downstream Scope 3 operations.



MCB's greenhouse gas emissions are computed 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).

* Not included in the scope of carbon emissions measurement

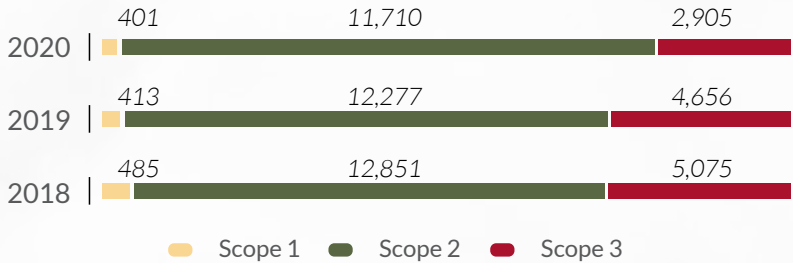
MCB Ltd - Carbon neutrality



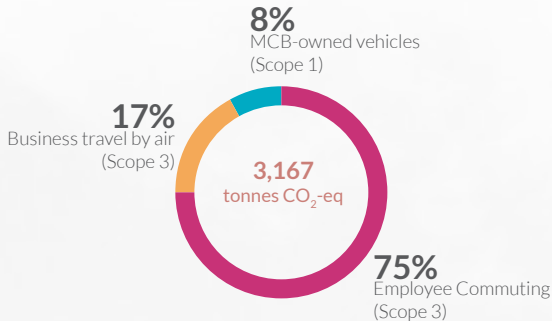
Target	Progress as at 2020
Contributing to carbon neutrality by offsetting residual carbon emissions	Offset of 17,345 tonnes of CO ₂ -eq <i>(residual emissions in 2019)</i> 15,016 tonnes CO ₂ -eq generated in 2020

Our 2020 carbon emissions were 15,016 tonnes CO₂-eq, which decreased by 13% from 17,345 tonnes CO₂-eq in 2019 in absolute terms. Reduced business travel and employee commuting due to the pandemic were the main factors that contributed to this significant decrease in emissions. In addition, we are constantly encouraging our colleagues to use video conferencing as far as possible. It is worth highlighting that GHG emissions from business air travel dropped by 65% from 1,529 tonnes CO₂-eq in 2019 to 529 tonnes CO₂-eq in 2020, owing to the COVID-19 pandemic, which prevented foreign travel.

Total GHG emissions (tonnes CO₂-eq) by category



2020 GHG emissions from Transportation



Note: Figures are for the period January to December

Our Environmental and Cultural Heritage

Our operational footprint

In line with the Group's commitment to efficiently manage its operational footprint – energy, greenhouse gas emission, water, paper usage and waste management - MCB Ltd has set objectives and targets since 2018 for managing its key direct environmental impacts. The COVID-19 pandemic affected the Bank's environmental impacts in 2020, owing to a national lockdown from March to May when most of its employees worked from home and thereafter in a hybrid mode. In addition, business travels have been reduced significantly since 2020. Data regarding the Bank's energy and water consumption, GHG emissions, paper use, and waste generation are monitored annually from January to December.

MCB Ltd - Energy consumption

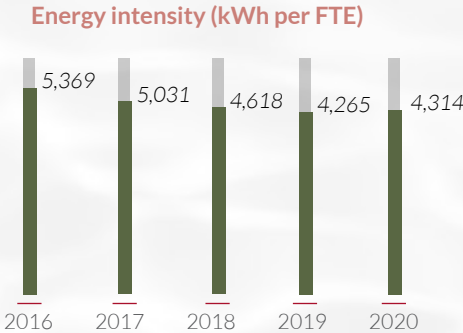


Target	Progress as at 2020
23% reduction in intensity by 2023 (electricity)	7%

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 diesel-sourced generators. A slight increase of 1% was observed in energy intensity from 4.27 in 2019 to 4.31 MWh/FTE in 2020, mainly due to the addition of new building space to the measurement process. The Bank sources the electricity necessary to run its operations from the national grid, mostly generated from non-renewable sources (fuel oil and coal). The remaining 23.9%* grid electricity is derived from renewable sources namely bagasse, and a minor share from solar and hydro. MCB's solar farm, which has a capacity of 472 kWp and is located at its main office at St Jean, generated 621 MWh of electricity in 2020, representing about 5.1% of total electricity consumed by MCB. It is worth noting that 25% of the total electricity consumed by MCB is sourced from renewable energy sources (national grid and MCB solar farm). To date, MCB owns four hybrid cars while the remaining vehicles operate on fossil fuels.

* Energy and Water Statistics 2020, Statistics Mauritius

The Government has announced in its 2021-2022 budget that it will increase the share of renewable energy in the national energy mix to 60% by 2030. It has also announced the phasing out of coal, together with some schemes for the production of electricity from photovoltaic panels by individuals and companies for their own consumption and selling the surplus to the national grid. We are prepared to add renewable energy sources into our energy mix. Additionally, a survey was conducted to evaluate the potential of installing solar generators for electricity generation in some MCB-owned branches. We have estimated a capacity of around 364 kWp that will be installed in the short to medium term.



MCB Ltd - Water consumption



Target	Progress as at 2020
25% reduction in intensity by 2023	8%

Water consumption, particularly in a water-stressed island like Mauritius is carefully monitored by the Bank. Water saving actions have been implemented over the years, namely the replacement of normal taps with automatic sensor taps in its two main buildings. The water intensity decreased by around 5.5%, from 12.8 m³ in 2019 to 12.1 m³ per FTE in 2020.

Our Environmental and Cultural Heritage

MCB Ltd - Paper usage



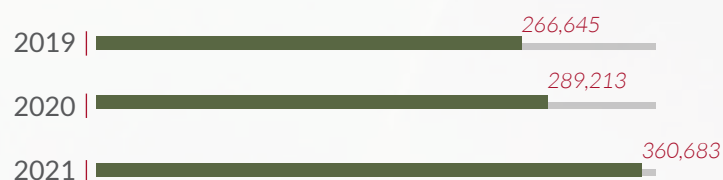
Target	Progress as at 2020
Below 100 tonnes by 2023	196 tonnes consumed

Paper consumption for MCB Ltd was 196 tonnes in 2020. We are actively working on reducing paper consumption for our direct operations, our clients and security holders. Our paper consumption intensity was 63.4 kg per FTE in 2020, which decreased from 84.5 kg in 2019. Some ongoing actions for Retail Banking include electronic KYC via tablets, online account opening and QR codes for product pamphlets.

The Group continually encourages its customers to subscribe to e-statements and its shareholders to adopt the electronic annual report. Since our intensive campaign in 2017, around 33% (as at October 2021) of shareholders have opted for the electronic annual report.

Total paper consumption in 2020 (tonnes)	196
Paper for internal use (direct operations) (%)	65%
-Percentage of FSC certified paper	69%
-Percentage of paper with recycled content	1%
Paper for clients' use (%)	35%
-Percentage of paper with recycled content	1%

MCB Ltd - E-statement subscription for active customer accounts



MCB Ltd -Waste management



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

Waste type	Unit	Quantity generated in 2020
Paper	Tonnes	81
Plastic	Tonnes	0.56
Printers’ ink toners	Unit	723
Alkaline batteries	Tonnes	0.03
Coffee capsules	Unit	6,154

The Bank has joined the food waste prevention programme in Mauritius because it operates two restaurants catering to its employees. The initiative is coordinated by Business Mauritius and is a six-month programme carrying international certification THE PLEDGE™ on Food Waste, with multiple objectives for reducing food waste, unnecessary costs and negative environmental impacts. We had around 5.5 tonnes of food waste in financial year 2020-2021, which is equivalent to 38 g per serving, so embarking on this journey will definitely improve our process.

On another note, MCB collaborated with Mission Verte, a Mauritian NGO that promotes waste segregation and recycling, and sponsored 21 domestic waste segregation bins across the island, including one on the premises of MCB St Jean.

Additional environmental initiatives

- MCB has been among the first card issuers worldwide to propose a more sustainable alternative to polyvinyl chloride for its various card programmes. The Bank collaborated with Gemalto to gradually convert its card portfolio into a recyclable, bio-sourced and degradable polylactic acid (PLA), and to date, 46% of its debit and credit cards are PLA
- MCB has taken commitment with Gemalto to use the Parley Ocean recycled plastic for its American Express cards
- Chemicals comprising mainly of cleaning detergents have been monitored since 2019. The Bank consumed around 18 tonnes of chemicals in 2020 for its daily operations, including a significant amount of sanitisers resulting from COVID-19 sanitary protocols

Our Environmental and Cultural Heritage

MCB Energy and Commodities financing portfolio

MCB is conscious of the urgency to transition to a low-carbon economy as well as its challenges. It also understands that energy is a necessity for African countries for their economic and social development. MCB's Energy and Commodities activities in Africa have contributed to wealth creation and distribution in these countries by helping them sustainably exploit the natural resources they are endowed with. Strengthening our commitment to stop all new financing for coal infrastructure and trade worldwide from 2022, we had no coal trading activities during the year.

In USD million	June 2019	June 2020	June 2021
Oil and Gas	1,913	2,023	2,817
Trade finance	1,303	1,402	2,095
Exploration and production	213	290	360
Project finance	22	19	15
Prepayments	375	312	347
Coal	100	30	0
Trade finance	100	30	0
Total	2,013	2,053	2,817
% of total assets of MCB Ltd	16%	17%	18%

Biodiversity conservation

MCB Group has always contributed significantly in various ways to the restoration and conservation of biodiversity in all the communities it operates. The loss of biodiversity can be increasingly observed in many parts of the world, mainly due to climate change, which is disrupting ecosystems and societies. MCB has been collaborating with the Mauritian Wildlife Foundation (MWF) and Ebony Forest for a while now intending to protect endemic species and restore existing forests. Our contribution to biodiversity conservation is clearly linked to our efforts in reducing the impacts of climate change.

Mauritian Wildlife Foundation

MCB is in the third year of its partnership with the MWF, following an agreement to fund five of its programmes for a total amount of Rs 15 million until financial year 2021-2022. These programmes aim at protecting four endemic species that are currently under threat of extinction: the Echo Parakeet, the Pink Pigeon, Günther's Gecko, and the Round Island Boa. MCB also contributes significantly to the protection of the fragile biodiversity of Mauritius' islets - île de la Passe, l'île aux Fouquets, and îlot Gabriel - through education sessions to raise awareness among fishermen, skippers, tourists, officers of the National Coast Guard, and children. For the training sessions, the participants have been awarded an eco-label certificate. Around 300 people attended the awareness sessions. The COVID-19 pandemic coupled with the *MV Wakashio* oil spill has slowed down many conservation actions.

Our partnership with the MWF also includes the participation of our customers through an initiative named 'Cards for Change'. Since 11th May 2019, MCB has paid Rs 10 cents for every transaction that clients make using their MCB debit cards. That amount has reached around Rs 5.8 million as of July 2021, out of which Rs 3 million has already been committed to protect the fauna and flora of île aux Aigrettes and the Southeast region following the *MV Wakashio* oil spill.

Ebony Forest

Ebony Forest, which covers 50 hectares of land in Chamarel in the southwest of Mauritius is a protected endemic sanctuary and key biodiversity area as per the International Union for Conservation of Nature. MCB has sponsored two hectares of forest area and has contributed to the weeding and planting of endemics and natives. Moreover, the restoration of indigenous forests while protecting the endangered flora and fauna has a positive effect on the climate and helps rebalance the ecosystem. Ebony Forest is also known as a bird area according to BirdLife International.

Our Environmental and Cultural Heritage

Culture

Culture is one of the pillars of the Group's Corporate Sustainability Programme because it favours social integration and the collective participation of the population. The Group promotes cultural and artistic avenues for the development of both individual and collective identities. Only a few events have been organised and sponsored during the year owing to the COVID-19 pandemic.

Sports

Rando Trail and Nature	MCB is a partner of Rando Trail and Nature, the association responsible for organising the local league of trails annually in Mauritius. MCB has created the 'Leker dan Zefor' initiative, contributing Rs 5 for each kilometre run by a participant. The money collected will be used over 2021 and 2022 to empower women in trail running or hiking. MCB will contribute financially to help a Mauritian trail team participate in the Trail World Championships in February 2022. During the financial year (FY) 2020-2021, Rs 325,000 was allocated to these activities.
Team MCB Boys and Girls	As a full-fledged partner of the Mauritius Cycling Federation since 2017, MCB continues to support the talent of the national sports team, and promote sports and values among young boys and girls. A financial contribution of Rs 3,079,000 was made in FY 2020-2021 for both teams.
Interten Cup	MCB has been sponsoring this event since 2018, aimed at gathering the employees of some of the golfing clubs in Mauritius for a fun day and competition whilst promoting the golf ecosystem by putting the limelight on those people who work tirelessly in the shadows. The 2020 edition was held at Avalon. MCB contributed around Rs 300,000 to this event.

Environment

Eco-Warriors	MCB collaborated with Panda & Wolf on Eco-Warriors project, which is an educational programme to raise awareness among children on waste sorting and recycling through a mobile application. MCB, in collaboration with WeCycle Ltd, has sponsored waste recycling bins for 23 schools in October 2020 to collect wastepaper and plastic. The total amount spent on both projects was Rs 340,000.
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Environmental initiatives of our Subsidiaries

MCB Seychelles

Energy consumption – Replacement of all lights with LED lamps

Water consumption - 7% reduction in water consumption

Waste management – Knowing that Seychelles does not have waste recycling facilities on the island, wastepaper is reused as far as possible: envelopes are reused whilst physical newspapers have been reduced to a minimum.

MCB Madagascar

Energy consumption - Installation of photovoltaic panels at the Toliara branch, having an installed capacity of 13.1 kWp to meet its electricity requirement; while the branches at Nosy Be and Mahajanga will be equipped with panels in 2022.

Waste management – Waste paper and used printers' ink cartridges are sent to recycling facilities, while organic waste segregation and composting will start soon.

MCB Maldives

MCB Maldives collaborated with its client, Ensis Fisheries, to raise awareness of sustainable practices in the fishing industry, which is critical for the Maldives due to rising sea level concerns

 Looking Ahead

Climate - While the COVID-19 pandemic has slowed down economic activities in Mauritius, we believe that the COP 26 in November 2021 will give renewed momentum to carbon emissions reduction and mitigation efforts by encouraging policy makers and organisations to rise to the challenge. We will engage and collaborate with our clients to adopt low carbon solutions, guide them in their decarbonisation pathway, and recommend carbon offsetting solutions. We will progress on assessing the carbon footprint of our clients, particularly large corporates. Integration of climate risks in the Bank's risk assessment process is an aspect that we will continue to build on to contribute to the country's climate neutrality efforts.

As far as our operational footprint section is concerned, a detailed action plan for achieving our 2023 targets relating to MCB's direct environmental impacts has been validated by the Sustainability Strategic Council.

We will continue to support organisations involved in the preservation of biodiversity and promote cultural initiatives for the well-being of society.

INDIVIDUAL AND COLLECTIVE WELL-BEING

Alignment with SDGs, UNGC, UNEP FI PRB



We continued to focus on creating a positive and comfortable environment to promote people growth while strengthening employee engagement. The safety of our employees was the foremost priority because of COVID-19, for which we ensured a safe environment, provided protective equipment and implemented strict sanitary protocols. This year's key achievement has been our remarkably successful initiative to establish a Gender Equality Charter for the Group, together with an action plan to promote gender equality across the organisation and inspire our stakeholders. We also provided our support to society through various community actions during the year.

Helping our people during this pandemic

The COVID-19 pandemic has been very challenging for our employees, who have striven to support our customers and continuously improve the customer experience while trying to balance work life and family commitments. Some of our colleagues, particularly those in Retail Banking, worked as frontliners when most employees were in hybrid mode (flexible working arrangements). We have constantly ensured the safety and well-being of all employees by implementing a strict sanitary protocol across all business units.

In addition to having an in-house psychologist and wellness coordinators to support our staff and help them manage the emotional challenges, we also provided additional financial remuneration to frontline employees.

The MCB Solidarity fund was created with the aim of providing financial assistance to staff members who are affected by the COVID-19 pandemic and any other tragedies, such as natural disasters, medical expenses linked to critical illness, or a drop in household revenue due to the loss of employment of a spouse. The fund mechanism includes an annual contribution of Rs 500,000 by MCB. Employees are encouraged to make voluntary contributions to this fund.

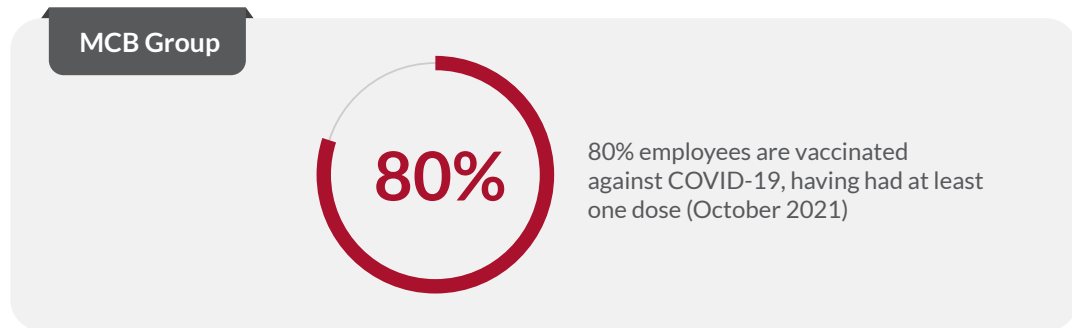
We are encouraging our staff to get vaccinated in order to protect them, their colleagues and family, and the broader community. Special arrangements have been made to facilitate the vaccination process.



We installed a mobile ATM at the Canot Community Center to support inhabitants when the village was declared a Red Zone and was sealed off during the pandemic



Our staff canteen team has quickly adapted to provide lunch packs to their colleagues working onsite while also respecting strict protocols to ensure the safety of one and all



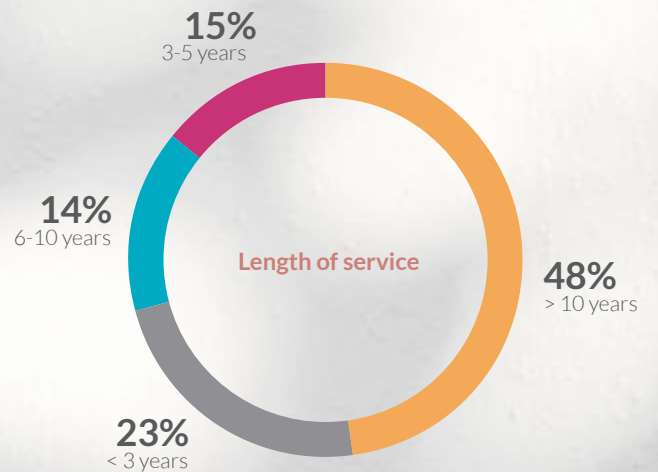
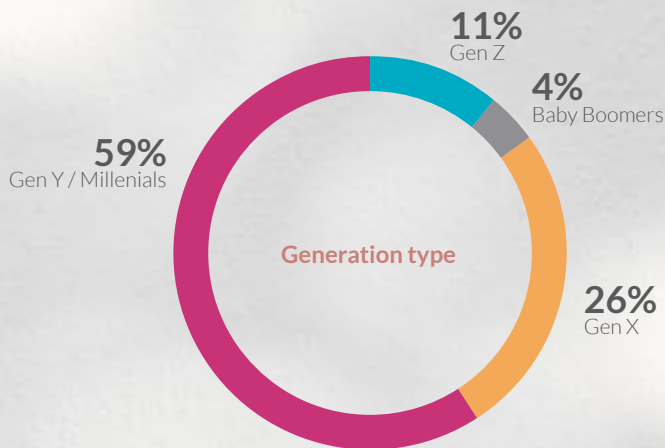
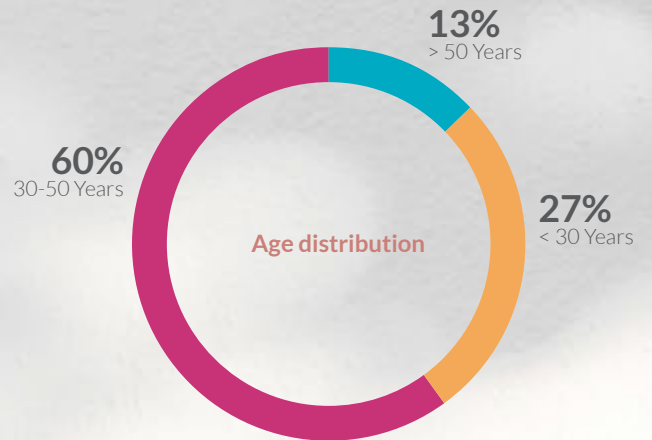
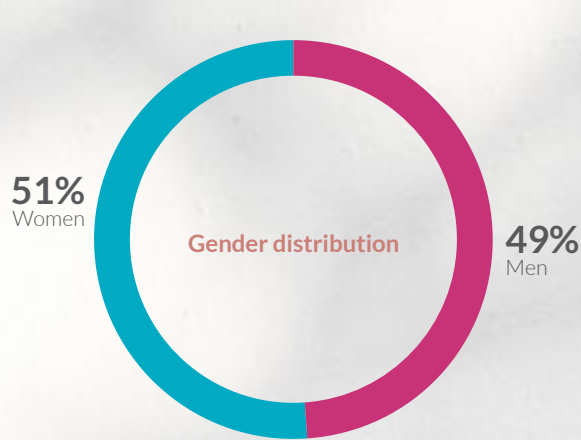
Individual and Collective Well-being

Human capital management

Headcount distribution



Individual and Collective Well-being



	Hire rate	Retention rate	Turnover rate
MCB Ltd	9%	97%	3%
Local subsidiaries	9%	91%	9%
MCB Seychelles	3%	95%	5%
MCB Madagascar	11%	87%	13%
MCB Maldives	16%	88%	12%
MCB Group	9%	96%	4%

Individual and Collective Well-being

Workforce diversity and inclusion

The Group believes in equal opportunity for all employees. Our journey started in 2013 with the development of the Equal Opportunity Policy. It states that all employees are to be given the opportunity to fully use their talents, skills, experience, and competence. It also 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.

A Focus on Gender Equality

This year, we established the Gender Equality Charter to further demonstrate our commitment to parity following the announcement of the objective to have at least 40% of women at the middle and senior management levels by 2026 within MCB Ltd. Besides our participation in the Gender Diversity Charter of the Africa CEO Forum – Women Working for Change - we have devised an action plan based on the outcome of the gender equality self-assessment conducted with the help of the Agence Française de Développement.

MCB Ltd - Gender equality



Target	Progress in FY 2020-2021
40% women at middle and senior management levels by 2026	30%

Paternity leave: A hands-on approach to fatherhood

Alexandre Perrine, 31, from MCB's Digitalisation Programme, is the proud father of baby Iris and the supportive spouse of Xenia Fitzgerald (Digital Business Unit). Both parents tend to the precious addition to their family as equal partners.

"The only thing I am unable to do is breastfeed Iris, but other than that, I am proud to say that I pull my weight", states the first-time dad. As an MCB employee, Alex is eligible for ten days' paid paternity leave following the bank's decision to double the quantum as one way of encouraging new fathers to support their partners by being more involved at home.

"These extra days mean that I'll still have local leaves remaining at the end of the year, coming in handy when my wife resumes work in December as the daycare centre closes for the festive season", says Alex.

For the new dad, being a hands-on father was a no brainer. "I lost my father when I was seven and was brought up by my mum who did a fantastic job taking care of my two sisters and me", he shares, musing that the fact that he grew up without a dad was probably a factor in his approach to fatherhood.



Alexandre Perrine is among the first staff members to have been eligible for the ten-day paternity leave now applicable at MCB

Individual and Collective Well-being

The gender action plan, driven by a working group composed of colleagues from several business units, ensures the adoption of a collaborative approach to achieve the set objective. The working group meets every month to oversee the implementation of the Gender Equality action plan and discuss initiatives and projects. Some key actions implemented are as follows:

- Around 1,200 staff participated in a survey to help the working group better understand our employees’ perception of gender and diversity
- Raising awareness in various ways – Diversity and Women in Leadership course on our online learning platform, provision of training on unconscious bias by AFD to more than 300 staff in a leadership position and team leaders, and holding webinars
- Doubling paternity leave to 10 days instead of 5 statutory days and extending the facility to unmarried fathers
- Lactation rooms with adequate facilities have been set up at two MCB main buildings in Mauritius to encourage new mothers to continue breastfeeding
- A study was conducted by the Bank to show the contribution of women to the economic development of Mauritius and the importance of fostering an inclusive society. That report entitled ‘Promoting gender equity to sustain a more inclusive development growth’ was published to inspire other companies to make gender equality a priority
- Our leadership team, people managers, and human resource team participated in workshops on ‘violence at work’
- Sponsoring a mentoring programme for 50 women entrepreneurs in Mauritius and the region through the Association Mauricienne des Femmes Chefs d’Entreprises

MCB Ltd

Workforce diversity by job position



7 Business Leaders

45 Business Managers

	Women	Men
Business Executive	0%	100%
Business Leader	27%	73%
Business Manager	31%	69%
Business Professional	43%	57%
Business Associate	46%	54%
Business Support	67%	33%
Technical	1%	99%
Others	49%	51%

Employee Engagement

Moving forward on our employee engagement efforts, we have initiated several actions relating to the Mini Trust Index engagement survey and culture audit conducted in 2019. Regular dialogues with employees have enabled a better understanding of their needs and better responses, thereby creating a sound work environment for them to fulfil their responsibilities. Employees are encouraged to discuss any workplace issues with their managers.



MINI TRUST INDEX 2019



Respect



Pride



Camaraderie

Mini Trust Index 2019

- Analysis and communication of results with the Human Resources Transformation steering committee and the business units to initiate actions
- Design of a cultural alignment programme (ongoing) that includes consultation with various stakeholders, formulation of a cultural vision statement for MCB Group, and set-up of a working group to devise an action plan

Culture audit 2019

- Identifying four managerial practices for improvement in culture audit 2019
- Creating open communication platforms, such as open microphone sessions, within the organisation and leveraging such initiatives on 'Workplace' platform
- Designing and implementing a new employee onboarding experience
- Defining a thank-you programme
- Creating a feedback culture
- Integrating culture audit objectives with performance objectives at the managerial level

Individual and Collective Well-being

Talent management

In view of building a competent, engaged and future-ready workforce able to sustain core competencies, MCB Group has undertaken several people capability development initiatives, including a Digital Academy, Lead with Impact Academy, Customer Service Academy, and a pioneering Talent Management Programme, 'Grow!'.

Talent Management Programme, 'Grow!'

- Focusing on people managers who play a critical role in building and multiplying talent
- About 250 people managers (Mauritius) participated and also submitted themselves to a 360-degree exercise
- Creating bespoke development journeys for managers
- About 55 managers from MCB Maldives, Madagascar and Seychelles to embark upon the programme soon

Our Performance Management System (PMS) has been enhanced to ensure regular assessment of performance and talent development. The new PMS approach is based on the combined outcomes of two factors, namely, results and attributes. It is a fair and transparent mechanism for rewarding employees based on their performance levels measured against defined expectations.

We have developed a medium-term learning and development strategy and roadmap to further reinforce the strategic role of learning in developing the talent, leadership and organisational capabilities of the Group. Additionally, we have implemented a mechanism to align learning initiatives and investment to the organisational strategic orientation, featured by centralised management of the training budget. The Group invested around Rs 4.3 million in employee training. A digital learning platform, Percipio, was launched in December 2020 to encourage our employees to progress in their learning and development journeys. At MCB Ltd, an average of 7.6 hours was dedicated per employee to training during the year (excluding the time spent on Percipio).

Some key trainings provided were:

- Workplace violence awareness sessions to people managers
- Workshop on gender equality with the Gender Working Group
- Training of some 300 people managers on the Universal Competency Framework
- Change management training
- Compliance and regulatory training as well as risk-related and legal training

Lead with Impact Academy

- Intended for people managers to entrench the MCB Leadership Brand and promote desired leadership behaviours
- To equip colleagues in a leadership role with key capabilities, resources and tools to become accomplished leaders

Percipio online learning platform (December 2020 - 30 June 2021)



Learning content completed
17,756

Hours per user spent on learning
8

Hours spent on learning content
17,806



Individual and Collective Well-being

Well-being at work

Although the pandemic has been disruptive, we have provided facilities to ensure the well-being and safety of our colleagues. We have established a Wellness Unit that comprises eight dimensions: health, physical, emotional, social, career, financial, environmental and intellectual, to advise and help employees on wellness-related subjects. Flexible working arrangements are available to our employees, including flexi-time, staggered working hours, and remote working. A wellness health track was also provided at MCB St Jean.

The Group is committed to providing a safe and healthy work environment for its employees, customers, visitors, and service providers. We adopt a proactive approach for managing health and safety risks, which helps to devise preventive actions. Relevant training is provided to employees to sensitise them on health and safety matters and ensure that they are conscious of potential risks. We shared some exercises and ergonomic postures to guide our employees on adopting the right posture when working. During the year, MCB Group recorded 11 injuries that corresponded to 100 lost workdays, with slip and fall as the main identified cause.

The pandemic has been a challenging time for our people, particularly the frontline workers and those working on site. We ensured that stringent sanitary and emergency protocols were put in place to protect employees, visitors, and subcontractors. Additionally, for the comfort and well-being of employees working from home, the Group has, in collaboration with some suppliers, offered incentives and discounted prices on office chairs and tables.

MCB Ltd

	Male	Female	Total
Number of injuries	8	3	11
Number of injury leaves	45	55	100

Remuneration

Our remuneration policy aims at rewarding fairly and according to applicable regulations, performance and meritocracy. We constantly scrutinise the market to ensure that our level of remuneration is competitive and motivating. The Bank also ensures that employees who are most vulnerable are protected against the effect of inflation and provided with an annual cost of living adjustment. Additionally, MCB offers a wide range of flexible benefits to assist staff in their personal needs and ambitions. This year, the Group has completed a complete review of the grading and reward structure that will influence the reward philosophy and improve its value proposition. We expect that this new reward structure will further motivate and improve staff retention rate. 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 that in the coming years.

Rs 45,000

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

Rs 33,767*

National average
monthly salary

Rs 56,750*

Average monthly salary in
Finance and insurance activities
in Mauritius

*Survey of Employment and Earnings in Large Establishments March 2021, Statistics Mauritius.

Individual and Collective Well-being

MCB Forward Foundation

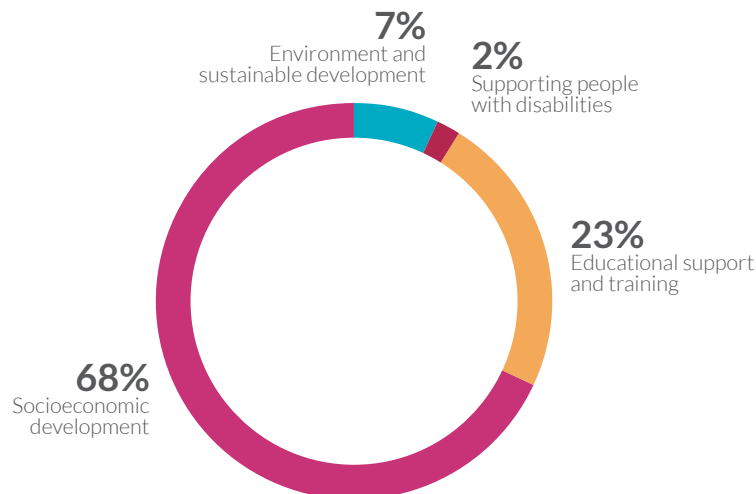
The MCB Forward Foundation (MCBFF), which is the corporate social responsibility arm of the MCB Group, drives our contribution to support social inclusion and well-being, thereby empowering people and reducing inequalities in society. In line with the Group's Corporate Sustainability Programme, the MCBFF continued to engage in initiatives in several categories: socioeconomic development, education and training, environment and sustainable development, and supporting people with disabilities. An amount of Rs 54.7 million was entrusted to MCBFF, which spent Rs 38.5 million on 19 projects.

Key actions contributing to SDG 1 and SDG 8 implemented during the year are as follows:

- Providing access to education, health, food and shelter to vulnerable people
- Six families benefitted from a foundation course in tourism at the Vatel Hotel and Tourism Business School in Rodrigues Island
- 129 women participated in training courses: Women Empowerment for the setting-up of micro-business and financial literacy
- Funding of microbusinesses for two families
- Recruitment of three persons to work as labourers for a conservation project in Rodrigues
- Sponsoring the United Nations Development Programme Mauritius and Global Environment Facility joint initiative's project implementation to the tune of Rs 2 million - Increasing farmers' resilience to climate change by adopting agroecological approach
- Setting up a two acre agroecological farm together with the provision of a 42-hour training in organic farming for a team of eight women

Since its launch in 2019, the social leave programme, which is coordinated by the MCBFF, has given our employees the opportunity to participate in social work during their normal working hours. During the year, 50 employees have dedicated a total of 250 hours in conservation and habitat restoration activities for the Mauritius Wildlife Foundation.

Projects funded by the MCB Forward Foundation



Community actions

Supporting society during this pandemic

MCB Ltd donated an additional Rs 1 million during the year to the crowdfunding platform 'Small Step Matters' to provide food supplies to more than 1,000 households (Rs 1.7 million was donated in financial year 2019-2020).

MCBFF provided 250 food packs to families in Mauritius and Rodrigues as part of the MCB Football Academy's (MCBFA) projects.

Five children with special needs received tablets so that they could continue with their online schooling while 59 children benefitted from school materials and uniforms.

A total of 110 families associated with MCBFA participated in personal development programmes and therapeutic and parental capacity building workshops for a total of 100 hours.

MCB Consulting hired two persons who had lost their jobs due to COVID-19 to maintain a site at Les Salines in Mauritius.



MCB Forward Foundation together with the United Nations Development Programme and Global Environment Facility has supported the farmer community



MCB Forward Foundation is supporting the creation of an agroecological farm

Individual and Collective Well-being

MV Wakashio oil spill

It has been a year since the oil spill in the southeast lagoon of Mauritius, and activities have slowly resumed, although the inhabitants are still living with the aftermath of the incident. MCB has helped the Mauritian Wildlife Foundation (MWF) remove plants and animals from the île aux Aigrettes nature reserve and relocate them to the mainland. We also appointed a filmmaker to produce a documentary film entitled 'Grat lamer pintir lesiel' that will feature stories of people in that region and show the hope, resilience and solidarity that have characterised the population of that region since the crisis. MCB Consulting also donated Rs 100,000 to the MWF towards restoration efforts to repair the damage caused by the spill.

Through the eyes of the people of Mahebourg

The MV *Wakashio*, a Japanese bulk carrier, ran aground in Pointe d'Esny on 25th July 2020 with 4,000 tonnes of fuel, causing one of the more critical ecological emergencies the country has known.

The magnitude of the damage to the coral reef, wildlife and wetlands sparked an unprecedented outpouring of national and international solidarity.

Then the world moved on, leaving the men and women of Mahebourg to come to terms with their loss of livelihood.

MCB pays tribute to the people most directly affected by the oil spill in this hour-long documentary, "Grat lamer pintir lesiel", produced by David Constantin. The documentary relates the grit and resilience of these men and women by focusing on 12 extraordinary human beings, brought together in an art therapy workshop that inspired them to tell their stories through art.



Scan QR Code
To watch the documentary



Humanitarian crisis in Madagascar

MCB Forward Foundation and MCB Madagascar have jointly helped families in Madagascar that are being affected by the humanitarian crisis in the south of the island by collaborating with the NGO ADRA for a three-year term to the tune of USD 96,484. Severe drought and lack of water supply, as a result of climate change have caused a food crisis that is affecting about 500,000 people in that region.

Key actions scheduled over three years:

- Set up farms and gardens to produce climate-resilient and culturally acceptable food. Farm management and food production training will be provided to community members to ensure food security for local residents
- Distribute food for three consecutive months, prioritising children, the elderly and those with disabilities as well as single mothers with children under the age of five
- Identification of boreholes and rehabilitation of three drinking water points

This collaboration with ADRA aims to ensure food security for 600 vulnerable households - representing around 3,600 individuals in remote places - who depend on help from the state or NGOs.



MCB Madagascar and MCB Forward Foundation have joined forces with the NGO ADRA to help the most vulnerable families touched by an acute food crisis in the south of Madagascar.

Individual and Collective Well-being

Community actions implemented by our Subsidiaries

MCB Consulting

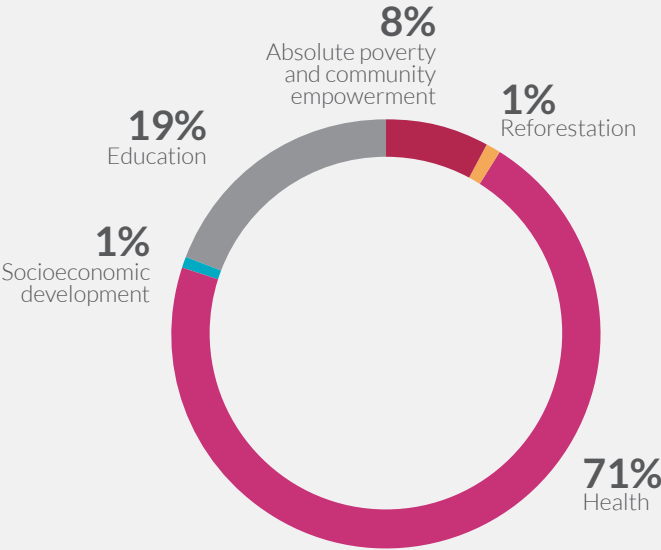
MCB Consulting contributed to the plantation of 115 trees through Ecosia browser – a platform engaged in trees plantation in needed locations when people search the web.

As part of its support to recognising retired national athletes, MCB Consulting organised kick boxing sessions with the world champion Fabrice Bauluck for its employees.

It participated in several activities aiming at coral protection such as diving initiation, awareness campaigns and sponsoring twenty spider frames.

MCB Seychelles

MCB Seychelles sponsored several projects to help the communities at an amount of Rs 4,293,968, including COVID-19 relief fund.



MCB Madagascar

As a partner to the Ultra Trail des Ô Plateaux, the association for organising trails in Madagascar, MCB Madagascar has created the 'Kilomètres du coeur' initiative in collaboration with ADRA, and contributes MGA 300 for each kilometre run by a participant. The money collected will be donated to two school canteens located in two villages.

Looking Ahead

Employee engagement - We will continue to improve employee engagement and develop a people capability strategy. The recruitment and onboarding processes will be upgraded to improve the employee experience and increase the organisation's attractiveness. The new reward structure will impact the employee retention rate positively. A full Trust Index engagement exercise is scheduled for 2022 and the 2019 progress of culture audit will be reviewed.

Gender equality - We will reinforce our actions regarding gender equality in the recruitment and remuneration processes. We are also setting up an internal women's networking programme where women across the organisation will meet regularly to mentor and support each other in this journey.

Talent management - We will further deploy our 'Grow!' programme and ensure its smooth implementation across the Group by onboarding our international subsidiaries and implementing learning solutions to develop talents. Succession planning and strategy development for critical positions within the Group will continue. We will pursue the development of capability academies and promote access to learning content to employees through Percipio.

Well-being of employees - We will implement the MCB solidarity fund and review our medical scheme facility to assist staff in their income protection.

Health and safety - We will continue to provide training and raise awareness on health and safety topics, particularly for fire wardens and first aiders, and provide a safe environment to protect our employees.

GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)
GRI 101: Foundation 2016 General Disclosures		
GRI 102: General Disclosures 2016	Organisational profile	
	102-1 Name of the organisation	Page 5
	102-2 Activities, brands, products, and services	Pages 26-29 - MCB Group Limited Annual Report 2021 available on http://mcb.link/reports
	102-3 Location of headquarters	Page 8
	102-4 Location of operations	Page 8
	102-5 Ownership and legal form	Page 108 - MCB Group Limited Annual Report 2021 available on https://www.mcb.mu
	102-6 Markets served	Pages 22-25 - MCB Group Limited Annual Report 2021 available on http://mcb.link/reports
	102-7 Scale of the organisation	Pages 8-9
	102-8 Information on employees and other workers	Pages 68-69
	102-9 Supply chain	Page 51; Pages 30-31 - MCB Group Limited Annual Report 2021 available on http://mcb.link/reports
	102-10 Significant changes to the organisation and its supply chain	Pages 22-31 - MCB Group Limited Annual Report 2021 available on http://mcb.link/reports
	102-11 Precautionary Principle or approach	We apply the Precautionary Principle in our operations and projects financed through the implementation of the Equator Principles and the UNEP FI Principles for Responsible Banking, to ensure minimal damage to the environment.
	102-12 External Initiatives	Page 26
102-13 Membership of associations	Pages 26, 29, 30 (Mauritius Bankers Association, Business Mauritius, Economic Development Board and other institutions)	
Strategy		Pages 12-16
102-14 Statement from senior decision-maker		
Ethics and integrity		Page 31 (Responsible business)
102-16 Values, principles, standards, and norms of behaviour		
Governance		Page 25; Page 108 - MCB Group Limited Annual Report 2021 available on http://mcb.link/reports
102-18 Governance structure		

GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)
Stakeholder Engagement		
102-40 List of stakeholder groups		Pages 27-30
102-41 Collective bargaining agreements		60% of employees are covered by collective bargaining agreements (excluding overseas subsidiaries)
102-42 Identifying and selecting stakeholders		Page 52 - MCB Group Limited Annual Report 2021 available on http://mcb.link/reports
102-43 Approach to stakeholder engagement		Pages 27-30; Pages 54-67 - MCB Group Limited Annual Report 2021 available on http://mcb.link/reports
102-44 Key topics and concerns raised		Pages 54-67 - MCB Group Limited Annual Report 2021 available on http://mcb.link/reports
Reporting practice		
102-45 Entities included in the consolidated financial statements		Page 8
102-46 Defining report content and topic Boundary		Page 5
102-47 List of material topics		Pages 20-21
102-48 Restatements of information		There are no restatements of information.
102-49 Changes in reporting		There are no changes.
102-50 Reporting period		Page 5; For environmental objectives, the reporting year is January-December 2020 (Page 58).
102-51 Date of most recent report		Sustainability Report 2020 - covers the period 1 July 2019 - 30 June 2020
102-52 Reporting cycle		Annual
102-53 Contact point for questions regarding the report		Page 5
102-54 Claims of reporting in accordance with the GRI Standards		Page 5
102-55 GRI content index		Pages 84-95
102-56 External assurance		The organisation has decided not to seek external assurance for the report.

Additional Information

GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)
Material Topics GRI 200 Economic Standard Series		
Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
GRI 201: Economic Performance 2016	103-2 The management approach and its components	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	201-1 Direct economic value generated and distributed	Pages 9-11
Market Presence		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
GRI 202: Market Presence 2016	103-2 The management approach and its components	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Page 77
Indirect Economic Impacts		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
GRI 203: Indirect Economic Impacts 2016	103-2 The management approach and its components	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	203-2 Significant indirect economic impacts	Pages 42-51, 54-55, 63-64, 78-83

GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)
GRI 200 Economic Standard Series		
Procurement Practices		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
GRI 204: Procurement Practices 2016	103-2 The management approach and its components	Page 20 and 51; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	204-1 Proportion of spending on local suppliers	Page 51
Anti-corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
GRI 205: Anti-corruption 2016	103-2 The management approach and its components	Pages 20, 33 Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Pages 20, 33 Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	205-1 Operations assessed for risks related to corruption	Page 33
	205-2 Communication and training about anti-corruption policies and procedures	Page 33

Additional Information

GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)
GRI 300 Environmental Standard Series		
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	GRI 302: Energy 2016	103-2 The management approach and its components Page 20, 22, 52, 54, 55, 58, 59 Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Pages 20, 22, 52, 54, 55, 58, 59 Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	302-1 Energy consumption within the organisation	Pages 58-59
	302-3 Energy intensity	Pages 58-59
	302-4 Reduction of energy consumption	Pages 58-59
Water and Effluents		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	GRI 303: Water and Effluents 2018	103-2 The management approach and its components Page 20 and 59; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Page 20 and 59; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	303-5 Water consumption	Page 59

GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)
GRI 300 Environmental Standard Series		
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
GRI 305: Emissions 2016	103-2 The management approach and its components	Pages 20, 52, 54-57 Pages 13, 18-20 - MCB Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Pages 20, 52, 54-57; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	305-1 Direct (Scope 1) GHG emissions	Pages 56-57
	305-2 Energy indirect (Scope 2) GHG emissions	Pages 56-57
	305-3 Other indirect (Scope 3) GHG emissions	Pages 56-57
	305-5 Reduction of GHG emissions	Page 57
Waste		
GRI 103: Management approach 2020	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
GRI 306: Waste 2020	103-2 The management approach and its components	Pages 20, 61 Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Pages 20, 61 Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	306-3 Waste generated	Page 61
	306-4 Waste diverted from disposal	Page 61

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GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)
GRI 300 Environmental Standard Series		
Environmental Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
GRI 307: Environmental Compliance 2016	103-2 The management approach and its components	Pages 20, 22, 26, 52 Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Pages 20, 22, 26, 52 Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	307-1 Non compliance with environmental laws and regulations	The Group complies with all applicable environmental laws and regulations.
GRI 400 Social Standard Series		
Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
GRI 401: Employment 2016	103-2 The management approach and its components	Pages 20, 66, 70, 77 Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Pages 20, 66, 70, 77 Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	401-1 New employee hires and employee turnover	Page 69
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 77
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-2 The management approach and its components	Pages 20, 76 Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Pages 20, 76 Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports

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GRI Standard	Disclosure	Page Number(s) and/or URL(s)
GRI 400 Social Standard Series		
Occupational Health and Safety		
GRI 403 Occupational Health and Safety 2018	403-9 Work-related injuries	Page 76
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
GRI 404: Training and Education 2016	103-2 The management approach and its components	Pages 20, 74 Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Pages 20, 74 Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	404-1 Average hours of training per year per employee	Page 74
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 74
Diversity and Equal Opportunity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
GRI 405: Diversity and Equal Opportunity 2016	103-2 The management approach and its components	Pages 20, 70-72 Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Pages 20, 70-72 Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	405-1 Diversity of governance bodies and employees	Page 72; Pages Pages 112-113, 118-124 - MCB Group Limited Annual Report 2021 available on http://mcb.link/reports

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GRI Standard	Disclosure	Page Number(s) and/or URL(s)
GRI 400 Social Standard Series		
Freedom of Association and Collective Bargaining		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
GRI 407: Freedom of Association and Collective Bargaining 2016	103-2 The management approach and its components	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 32 (Human Rights)
Forced or Compulsory Labour		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
GRI 409: Forced or Compulsory Labour 2016	103-2 The management approach and its components	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Page 32 (Human Rights); Page 38 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
Human Rights Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
GRI 412: Human Rights Assessment 2016	103-2 The management approach and its components	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	412-1 Operations that have been subject to human rights reviews or impact assessments	Pages 32, 34 (Human Rights and Equator Principles) Page 38 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports

GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)
GRI 400 Social Standard Series		
Local Communities		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
GRI 413: Local Communities 2016	103-2 The management approach and its components	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	413-1 Operations with local community engagement, impact assessments, and development programs	Pages 63-65, 78-83
Public Policy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
GRI 415: Public Policy 2016	103-2 The management approach and its components	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	415-1 Political Contributions	Page 60 - MCB Group Limited Annual Report 2021 available on http://mcb.link/reports
Marketing and Labeling		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
GRI 417: Marketing and Labeling 2016	103-2 The management approach and its components	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	417-1 Requirements for product and service information and labeling	Pages 44-46, 48, 49

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GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)
GRI 400 Social Standard Series		
Customer Privacy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
GRI 418: Customer Privacy 2016	103-2 The management approach and its components	Pages 20, 33 Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Pages 20, 33 Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 33
Socioeconomic Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
GRI 419: Socioeconomic Compliance 2016	103-2 The management approach and its components	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	103-3 Evaluation of the management approach	Page 20; Pages 13, 18-20 - MCB Group Sustainability Report 2019 available on http://mcb.link/reports
	419-1 Non-compliance with laws and regulations in the social and economic area	The Group complies with all applicable laws and regulations in the social and economic area.

Compliance with UNGC Principles

Communication on Progress for financial year 2020-2021

This Sustainability Report 2021 shows our progress and commitment with regard to integration of the ten principles of the UNGC 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 Management 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 2021.

Respecting human rights	Page 32
Microfinance	Page 49
Procurement	Page 51
Biodiversity conservation	Page 63
Culture	Page 64
Employee engagement	Page 73
Talent management	Page 74
Well-being at work	Page 76
Remuneration	Page 77
MCB Forward Foundation	Page 78
Community actions	Pages 79-83
Looking ahead	Page 83

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 2021:

Employee engagement	Page 73
Human capital management	Pages 68-69
Workforce diversity and inclusion	Pages 70-72

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 Bank's employees were covered by collective bargaining agreements (excluding overseas subsidiaries) for the period 1 July 2020 to 30 June 2021.

Additional Information

Compliance with UNGC Principles

Environmental principles

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

Read more in MCB Group Sustainability Report 2021:

A vibrant and sustainable local economy	Pages 44-48
Our environmental and cultural heritage	Pages 52-65

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 Group Sustainability Report 2021:

Responsible business	Pages 31-33
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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 2020 to 30 June 2021.

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)
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.		
1.1 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, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.	<p>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.</p> <p>The Bank's main business lines serving a diverse range of customers are:</p> <ul style="list-style-type: none"> • Corporate and Institutional Banking • Business Banking (including SMEs) • Retail Banking • Private Banking and Wealth Management <p>The Bank has over one million customers. Its domestic (Mauritius) market share on credit to the economy stood at 40% for the year ending 30 June 2021. We provide loan facilities in the economic sectors such as financial and business services, traders, housing, tourism, agriculture, transport, construction, etc.</p>	<p>MCB Group Limited Annual Report 2021: Corporate profile pages 22-29</p> <p>MCB Ltd Annual Report 2021: Corporate profile pages 22-29</p> <p>Sectors financed page 58</p>
1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.	<p>MCB Group launched its Corporate Sustainability Programme 'Success Beyond Numbers' in 2018. This programme covers the three pillars: sustainable local economy, preservation of environmental and cultural heritage, and individual and collective well-being. Its sustainability strategy is underpinned by the responsible behaviour and governance principles.</p> <p>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.</p> <p>We have initiated several actions regarding our climate journey during the financial year 2020-2021: integration of climate risks into our business risk management process and the assessment of corporate customers' carbon emission are in progress; launch of new products such as affordable loan facility to purchase electric vehicles; and the development of a sustainable finance framework. In July 2020, the Bank of Mauritius, the country's central bank, became a member of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) aimed at addressing climate change in the banking sector. The Bank of Mauritius has also set up a task force involving authorities and banks to develop a guideline on Climate-related and Environmental Financial Risk Management to assist financial institutions in integrating those risks into their operations. As part of this working group, MCB is participating in several discussions regarding climate risks.</p>	<p>MCB Group Sustainability Report 2021 pages 20-22, 26</p>

Additional Information

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)
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.		
<p>2.1 Impact Analysis:</p> <p>Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <p>a) <u>Scope</u>: The bank's core business areas, products/ services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.</p> <p>b) <u>Scale of Exposure</u>: In identifying its areas of most significant impact the bank has considered where its core business/ its major activities lie in terms of industries, technologies and geographies.</p> <p>c) <u>Context & Relevance</u>: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.</p> <p>d) <u>Scale and intensity/ salience of impact</u>: In identifying its areas of most significant impact, the bank has considered the scale and intensity/ salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.</p>	<p>We started the impact analysis with an assessment of our main business operations and application of the UNEP FI impact analysis tool. The focus for the time being is on the financing activities based in Mauritius. We are currently analysing and feeding data into the impact analysis tool. This include data relating to Retail Banking, Business Banking and Corporate and Institutional Banking. Colleagues from several business units have participated in the data collection process. We expect to identify our significant impacts by early 2022.</p> <p>We have also included key negative sectors (as per ISIC code) in the analysis. Based on the outcome of the impact analysis, MCB is committed to enhance its business strategy and establish corresponding objectives and targets.</p> <p>The material topics in our sustainability programme were previously identified using 1) Gapframe analysis, and 2) Datamaran Artificial Intelligence powered analysis. The Bank has been working on those issues since 2018. The Gapframe analysis is based on the Sustainable Development Goals and has been used to contextualise the material issues of Mauritius.</p> <p><u>Material topics (2018)</u></p> <p>Pillar 1 – A vibrant and sustainable local economy</p> <p>Business ethics Anti-corruption and bribery Digitalisation, customer privacy and information security Responsible financing</p>	<p>MCB Group Sustainability Report 2021 pages 20-24</p>

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)
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Principle 2: Impact and Target Setting

Show that building on this analysis, the bank has

- Identified and disclosed its areas of most significant (potential) positive and negative impact
- Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts

Pillar 2 – Preservation of environmental and cultural heritage

- Climate change and greenhouse gases
- Biodiversity preservation
- Waste management

Pillar 3 – Individual and collective well-being

- Employee development and engagement
- Customer satisfaction
- Workforce diversity and inclusion
- Financial literacy
- Human and labour rights
- Community support

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

We have fairly progressed on data collection and analysis, with a particular focus on operations in Mauritius. We expect to refine our methodology as we progress and extend the scope of analysis to fulfil the Principles' requirements.

Additional Information

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)
Principle 2: Impact and Target Setting		
<p>2.2 Target Setting</p> <p>Show that the bank has set and published a minimum of two Specific, Measurable, Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</p> <p>Show that these 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. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<p>Prior to conducting the impact analysis, MCB has committed in 2020 to collaborate with clients to encourage them to shift to low-carbon technologies. Initiatives include: 1) Stop all new financing worldwide for coal infrastructure and trade, whether thermal or metallurgical as from 2022; 2) Stop financing of new coal-fired power plants in Mauritius as from 2022; 3) Provide green credit scheme amounting to MUR 1 billion per year over three years (2020-2022) for financing low-carbon transition projects for all economic sectors.</p> <p>Following the outcome of the impact analysis, we will review and enhance these initiatives, and establish objectives and targets on our significant negative impacts.</p> <p>Moreover, MCB Ltd has set environmental and social targets on its direct impacts generated from its daily operations.</p> <p>Energy - 23% reduction in energy intensity by 2023</p> <p>Water - 25% reduction in water consumption intensity by 2023</p> <p>Paper - Below 100 tonnes of paper use by 2023</p> <p>Carbon footprint - To contribute to achieving carbon neutrality by 2023</p> <p>Gender equality - 40% women representation at middle and senior management levels by 2026.</p>	<p>MCB Group Sustainability Report 2021 pages 24, 57-60, 62, 70</p>
Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.		
With regard to the target setting exercise, we are at an early stage of our impact analysis. We will ensure that we meet the requirements of this section.		

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)
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Principle 2: Impact and Target Setting

<p>2.3 Plans for Target Implementation and Monitoring</p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p>A detailed action plan will be established upon completion of the impact analysis.</p>	
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.

As we progress with the implementation of these Principles, we will create an action plan based on the outcome of the impact analysis.

<p>2.4 Progress on Implementing Targets</p> <p>For each target separately:</p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p>	<p>We will be in a better position to communicate on this section upon completion of the impact analysis and establishing objectives and targets.</p> <p>Additionally, we monitor and manage our direct impacts and corresponding targets.</p> <p>Energy - 23% reduction in energy intensity by 2023; progress as of December 2020 - 7%</p> <p>Water – 25% reduction in water consumption intensity by 2023; progress as of December 2020 - 8%</p> <p>Paper - Below 100 tonnes of paper use by 2023; progress as of December 2020 – 196 tonnes</p> <p>Carbon footprint - To contribute to achieving carbon neutrality by 2023; progress as of December 2020 – we have offset our residual carbon emissions by investing in environmental and social projects</p> <p>Diversity – 40% women representation at middle and senior management level by 2026; progress as of 30 June 2021 – 30% women</p>	<p>MCB Group Sustainability Report 2021 pages 24, 57-60, 62, 70</p>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets

We will ensure that we fulfill the requirements of this section.

Additional Information

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)
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.		
<p>3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>Our focus has always been to providing customers with the right solutions that meet their needs. We offer tailored and simplified solutions and experiences and improve the accessibility of our products and services.</p> <p>We have seen a growing awareness of sustainability topics across the Group and in all lines of business. Our Environmental and Social Risk Management (ESRM) Policy provides guidance to better identify and assess environmental and social risks. We have continuous discussion with our customers to ensure risk mitigation at their end. In 2021, about 105 employees in several business units attended training on ESRM approach and policy.</p> <p>As we progress with the implementation of the Principles for Responsible Banking, we will have more visibility on our impacts and therefore better engage and encourage our customers to adopt sustainable practices in line with the Paris Agreement and SDGs.</p>	<p>MCB Group Sustainability Report 2021 pages 34-36, 42-48</p>
<p>3.2 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. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>We are committed to supporting our clients on their journeys to recovery from the impact of the COVID-19 pandemic and helping them adopt sustainable practices.</p> <p>Additionally, we have recently set up a specific working group to deepen our understanding and develop a roadmap for a sustainable finance framework, which, in time will serve as a new foundation to drive the Group's growth. A request for a proposal was launched in August 2021 to identify a competent professional organisation that would accompany us in creating a sustainable finance framework. Following the recommendations of the consultant, we will start its implementation by early 2022.</p> <p>Various initiatives aiming to promote sustainable practices were implemented during the year. This include:</p> <ul style="list-style-type: none"> • Loan facility under the SUNREF green finance label in partnership with the Agence Française de Développement • 'Lokal is Beautiful (LIB)' scheme, and 'Lokal Rebound' study • GreenDrive scheme • Punch platform 	<p>MCB Group Sustainability Report 2021:</p> <p>Sustainability in our products and services pages 42-48</p> <p>Climate journey page 54</p>

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)
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Principle 4: Stakeholders

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

<p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>The Bank continuously engages with its key stakeholders through various channels to understand their requirements and respond to their needs. Our colleagues have been significantly contributing in the data collection and analysis process with regard to the impact analysis tool.</p> <p>This year, we are collaborating with the Bank of Mauritius, our central bank, in areas such as climate related risks. Of note, we constantly exchange with the authorities and regulatory bodies, and rating agencies regarding our operations, social, and environmental aspects.</p>	<p>MCB Group Sustainability Report 2021: Stakeholder engagement pages 27-30</p> <p>MCB Group Sustainability Report 2019 available on http://mcb.link/reports</p> <p>Creation of Sustainability programme pages 28-29</p>
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Principle 5: Governance & Culture

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

<p>5.1 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 effective implementation of the Principles.</p>	<p>On the governance front, three committees were designated by the Board of Directors of MCB Group to monitor the progress of its Corporate Sustainability Programme (CSP):</p> <ul style="list-style-type: none"> • 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 <p>Our sustainability team, which has a cross-functional role across the Group, provides advice and guidance on sustainability matters and participates in implementing the CSP. The team has expanded and is now composed of six members.</p> <p>For the implementation of these Principles, we have set up three working groups composing of colleagues from three lines of business: Retail Banking, Business Banking, and Corporate and Institutional Banking. Together, we discuss on matters related to data analysis, scope, constraints, and assumptions.</p>	<p>MCB Group Sustainability Report 2021 pages 22, 25</p>
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Additional Information

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)
Principle 5: Governance & Culture		
<p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>Initially, we provided awareness sessions of these Principles to the management and colleagues of the working group. A steering committee has been established to oversee the progress of implementation. We will embark more employees as we progress in the implementation.</p> <p>Our employees are informed of key sustainability issues through:</p> <ul style="list-style-type: none"> • Our internal communication channel 'Workplace' and 'iZone'. • Regular dialogue with the sustainability team. • Sustainability Coordinating Team, who transmits information to their respective business units. <p>Moreover, 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.</p>	<p>MCB Group Sustainability Report 2021 pages 22, 25, 34, 43</p>
<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <p>a) target-setting and actions to achieve targets set</p> <p>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p>	<p>As reported in 5.1, the Corporate Sustainability Committee and the Sustainability Strategic Council monitor the sustainability performance of the organisation.</p>	<p>MCB Group Sustainability Report 2021 pages 22, 25</p>
<p>Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p>		
<p>We have fulfilled some of the requirements under Principle 5 through our existing governance structure. We will continue to promote a responsible banking culture across the organisation.</p>		

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)
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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.

<p>6.1 Progress on Implementing the Principles for Responsible Banking</p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</p> <p>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</p> <p>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</p>	<p>Our progress is shown throughout this self-assessment report. This year, most of our time and efforts has been on the data collection and analysis process to ensure that we identify our real impacts.</p> <p>Furthermore, we have adopted the Equator Principles and the UNGC Principles since some years. We also comply with the GRI Standards for sustainability reporting purpose, and have signed the Gender Diversity Charter of the Africa CEO Forum – Women Working for Change.</p> <p>We demonstrate our commitment, accountability, and transparency vis-à-vis our stakeholders through the voluntary adoption and compliance with international frameworks, standards and practices. In addition, we will consider integrating emerging national and international practices to increase our positive impacts and reduce negative impacts.</p>	<p>MCB Group Sustainability Report 2021 pages 96-105</p>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking

Today, there is a growing momentum across the organisation with regard to sustainability. We have fairly progressed so far in the implementation, but we will strive to achieve full compliance with these Principles in the coming years.



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