



# Sustainability Report 2020



*Carriers  
don't you  
lame*

## About this Sustainability Report 2020

This Sustainability Report 2020 is complementary to the Annual Report of MCB Group Limited. It provides information relating to the Group's Corporate 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, which was developed in accordance with the GRI Sustainability Reporting Standards (Core option), provides a review of our 2020 sustainability performance for the period spanning from 1 July 2019 to 30 June 2020, 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 shown in this report cover largely the scope of the Bank in Mauritius though 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.

Vanessa Doger de Spéville  
Head of Communication and Corporate Sustainability  
vanessa.dogerdesspeville@mcb.mu

### Our Core Values



#### Integrity

Honest and trustworthy  
at all times



#### Customer care

Delivering unrivalled service



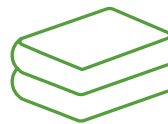
#### Teamwork

Working together towards a  
common goal



#### Innovation

Proactively seeking out new  
opportunities



#### Knowledge

Believing in lifelong learning



#### Excellence

Being the best we possibly can

Cover Illustration  
*l'avenir dan nou lame* - Our future is in our hands.

## Contents

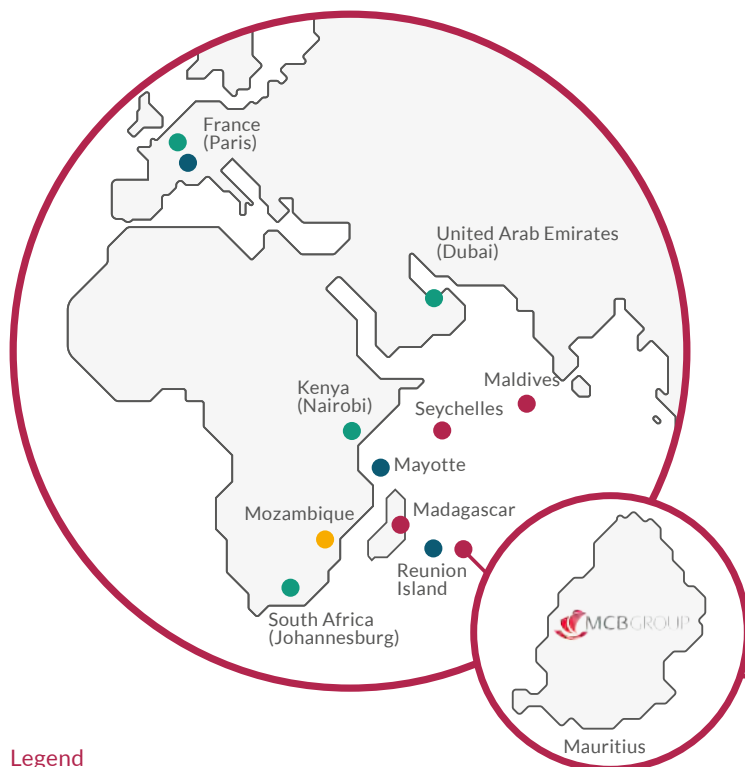
<b>About this Sustainability Report 2020</b> .....	2	<b>Our Environmental and Cultural Heritage</b> .....	34
<b>Overview of Organisation</b> .....	4	Energy Consumption .....	34
MCB Group at a Glance .....	4	Carbon Footprint .....	35
<b>Message from Top Executives</b> .....	6	Water Consumption .....	36
<b>Our Response to COVID-19</b> .....	10	Paper Consumption .....	37
<b>Our Sustainability Strategy</b> .....	12	Waste Management .....	38
Our Approach .....	12	Financing Green Projects .....	38
Our Sustainability Journey .....	16	Our Commitment to the New Climate Economy - Klima .....	39
Stakeholder Engagement .....	17	Partnering for Biodiversity Preservation .....	42
Our Material Issues .....	18	Culture .....	44
Looking Ahead .....	18	Looking Ahead .....	44
<b>Responsible Behaviour</b> .....	20	<b>Individual and Collective Well-Being</b> .....	51
Ethics and Integrity .....	20	Human Capital Management .....	51
Human Rights .....	21	Workforce Diversity and Inclusion .....	53
Equator Principles .....	21	Engaging our Employees .....	54
Customers .....	21	Talent Management .....	54
Looking Ahead .....	22	Well-Being at Work .....	55
<b>A Vibrant and Sustainable Local Economy</b> .....	26	Remuneration .....	55
‘Lokal is Beautiful’ .....	26	MCB Forward Foundation .....	56
Resilient Production: The Key to a New Mauritian Economic Impetus ..	27	Looking Ahead .....	57
Impact Ecosystem in Mauritius .....	28	<b>Additional Information</b> .....	58
Microfinance .....	28	GRI Content Index .....	58
Supporting the ‘Made in Moris’ Campaign .....	28	UNEP FI Principles for Responsible Banking .....	67
Tax Responsibility .....	29	List of Acronyms .....	67
Procurement Practices .....	29		
Financial Literacy and Digitalisation .....	30		
Looking Ahead .....	30		

# OVERVIEW OF ORGANISATION

## MCB Group at a Glance

MCB Group Limited is a prominent financial services provider in the region. The Group encompasses 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.

### WHERE WE OPERATE



### Legend

- Banking subsidiaries of the Group
- Representative offices of the Bank
- Group associate (Banque Française Commerciale de l'Océan Indien - BFCOI)
- Group associate (Société Générale Moçambique)

### MCB GROUP OPERATING INCOME\* BY CLUSTER RS 22.0 BILLION

Banking	94%
Non-banking financial	3%
Other investments	3%

\* Figures shown are after elimination of intercompany transactions.

**Assets**  
**Rs 532.1 billion**

**Employees**  
**3,729**

**60 Branches and kiosks across presence countries including 40 in Mauritius**

**Clients**  
**~ 1,087,900**

**Market capitalisation**  
**Rs 56.5 billion**

**Shareholders**  
**> 21,000**

### WEALTH CREATED BY THE GROUP



- 47.6% Retention to support growth
- 28.7% Employees
- 12.5% Providers of capital
- 10.4% Authorities
- 0.8% Society

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

### MCB GROUP ASSET MIX RS 532.1 BILLION

Net loans (including placements)	50%
Investment securities	22%
Cash and cash equivalents *	21%
Other assets	7%

\* Including mandatory balances and placements.

MCB Ltd - Value created in 2020



Employees  
**2,923**

Employee retention rate  
**96.8%**

Employee hire rate  
**11.7%**

Salaries and benefits paid to employees  
**Rs 3,629 million**

Women at middle and senior management level  
**27%**

Investment in training of employees  
**Rs 63.8 million**



Clients  
**~1,022,200**

Internet Banking subscribers  
**244,247**

'JuiceByMCB' subscribers  
**333,952**

ATMs in Mauritius  
**178**

Deposits from customers  
**Rs 364.0 billion**

Total loans to customers  
**Rs 236.6 billion**



Electricity consumption from renewable sources  
**26%**

Carbon neutrality - Offset of total carbon emissions from operations in 2018  
**18,412 tonnes CO<sub>2</sub>-eq**

Waste paper recycled  
**136 tonnes**

Renewable energy projects financed under the Green Loan offering in partnership with AFD  
**48%\* (2<sup>nd</sup> credit line);**  
**13%\* (3<sup>rd</sup> credit line)**

*\*Based on loan amount*



Procurement spent in Mauritius  
**Rs 1,943.9 million**

Tax paid  
**Rs 1,230 million**

MCB Group



Shareholders  
**> 21,000**

Earnings Per Share  
**Rs 33.10**



Investment in 19 CSR projects through MCB Forward Foundation

**Rs 44.4 million**

Total tax paid (including VAT)  
**Rs 1,602 million**

**32** scholarships awarded to Mauritian students eligible for the State of Mauritius scholarships

**36** scholarships awarded to students from Rodrigues under the MCB Rodrigues Scholarship

## 'SUSTAINABILITY IS KEY TO ECONOMIC RECOVERY'



Raoul Gufflet (RG)  
Deputy Chief Executive Officer of MCB Ltd

Pierre Guy Noël (PGN)  
Chief Executive of MCB Group Ltd

Alain Law Min (ALM)  
Chief Executive Officer of MCB Ltd

### Two years after the launch of the Corporate Sustainability Programme 'Success Beyond Numbers', what has changed at MCB Group?

**PGN:** Sustainability is in itself a real journey. Two years down the line, I can safely say that sustainability is no longer considered an isolated project. Sustainability has become a key element of our operations and processes, and governance on the subject has been adapted within our organisation accordingly. Our initiatives have been positively received by both our internal and external stakeholders. We have also been able to rally shareholders, partners, the public and our employees to the cause. From the very start, we wanted 'Success Beyond Numbers' to be as inclusive as possible. To achieve this, input from our employees was critical in the very definition of our three pillars of action: A vibrant and sustainable local economy, the preservation of our environmental and cultural heritage, and the individual and collective well-being. Sustainability is now part of our strategy which has been formulated in line with the United Nations Sustainable Development Goals framework.

### What were the Group's main sustainability milestones in 2019-2020?

**ALM:** The 'Klima' conference held in February 2020 was without a doubt the highlight of the year. This conference was followed by the launch of the 'Klima Neutral 2050' report which MCB Group commissioned from French consultants Utopies. It was also the platform to communicate on our climate-related commitments to the corporate world and the population at large. We announced that we would no longer finance new coal-fired power plants, that there would be more transparency on the impacts of our financing portfolio and we stressed our ambition to be carbon neutral in our operations, to name but a few. We have also committed to invest € 5 million over the period 2021-2040 in the Livelihoods Carbon Fund 3, an impact investment fund created by Livelihoods Funds with leading companies joining

forces to accelerate efforts on climate change mitigation and social impact. Another milestone achieved this year is the enhancement of the sustainability governance structure, which places 'Success Beyond Numbers' at the strategic level for both the Bank and the Group. Sustainability issues are now discussed at Board level and key Executives form part of the Sustainability Strategic Council, which is empowered to validate strategic initiatives. A Sustainability Coordinating Team composed of various Heads of Business Units and Pillar Owners follows progress of projects on a monthly basis. Also, three new colleagues have joined the Sustainability Team and thanks to this new structure, we have reinforced our capabilities for the implementation and follow-up of internal and external sustainability initiatives.

### With new economic constraints looming in the wake of the COVID-19 pandemic, does the commitment to sustainability remain a priority?

**PGN:** Many of the problems we face today, including COVID-19, are the consequences of excessive and unsustainable modes of production and consumption. Sustainability is therefore key to the economic recovery. It is about devising a strategy for the upcoming generations, about striking the right balance, and doing the right thing for future generations. This will entail having a holistic approach. As a major stakeholder in the local economic landscape, we need to have a clear stance on what we agree or refuse to finance. We are already financing green initiatives and technologies via the SUNREF credit line and our long-standing partners 'Agence Française de Développement' (AFD). The major projects we finance all undergo an environmental and social impact assessment to ensure potential risks are properly managed and mitigated. We have also taken the bold commitment to stop the financing of new coal-fired plants as from 2022 on the international scene, and to assist our existing local clients as they phase out coal. The post-COVID-19 economic recovery has to be a sustainable one and I believe that

## MESSAGE FROM TOP EXECUTIVES (CONTINUED)

strengthening the local economy is essential. We are now more than ever committed to ensure a sustainable economic recovery via local, green and inclusive development. This will entail financing virtuous projects and at the same time create deterrence to discourage the most polluting activities.

**“SUSTAINABILITY IS THEREFORE KEY TO THE ECONOMIC RECOVERY. IT IS ABOUT DEVISING A STRATEGY FOR THE UPCOMING GENERATIONS, ABOUT STRIKING THE RIGHT BALANCE, AND DOING THE RIGHT THING FOR FUTURE GENERATIONS.”**

### **What do your stakeholders, particularly your clients, expect from MCB Group today?**

**PGN:** In these turbulent and unpredictable times, we are more than ever committed to nurture a close relationship with all our clients. The COVID-19 pandemic has forced us into new modes of working and interactions, and we are helping our clients transition to this new normal. We also want to seize the opportunity to help them shift to more resilient business models by encouraging green investment and sustainable growth via dedicated financial products. We ambition to pave the way towards an innovative and co-constructive approach to finding solutions. The Group is in constant touch with the trends of the market and this allows us to provide the most appropriate and valuable services to our clients. Most importantly, we are committed to upholding our responsibility, as a long-standing economic actor, to act as a force for good. Our clients can rest assured that we are doing and will keep doing our best to bring about positive and impactful change possible.

### **MCB has worked for two years on strengthening the local economy and support local value. How do these initiatives fit into the current crisis?**

**ALM:** As Pierre Guy rightly said, the COVID-19 pandemic has shown that a strong local economy is critical in ensuring resilience in times of crisis. The global disruption in supply chains and production impacts more severely small island economies like Mauritius. As highlighted in the 'Lokal is Beautiful' report commissioned by the Group at the beginning of 2019, Mauritius should aim to minimise its economic leaks and promote local value-added by encouraging the Fab-island, Circular-island and Smart-island modes of development. These models emphasise the importance of local production and consumption and provide more resilience to our local entrepreneurs. This is even more important in the current context of economic slowdown and the temporary closure of our borders. Under the 'Lokal is Beautiful' initiative, we have set out an action plan spearheaded by our Business Banking Strategic Business Unit, to promote local businesses thanks to favourable loan schemes, a mobile app dedicated to SMEs, an online account opening facility, among others.

### **At a regional level, how can MCB Group be an influencer on sustainability?**

**ALM:** The Group's corporate sustainability strategy aims at aligning business development and profitability with the notion of sustainability over time. As Pierre Guy mentioned, our roadmap was built to take into account the priority Sustainable Development Goals (SDGs) of the country. The same rationale will be at the core of our strategy for our Indian Ocean subsidiaries. Our objective is to support the positive transitions that are necessary for the inclusive economic development in the countries where we operate, be it in the ecological, energy, or digital fields. The Group is working on financial solutions and products that will help accelerate societal shifts for a better tomorrow. On another note, we are the only bank in the Indian Ocean region to have signed the Principles for Responsible Banking (PRB) of the United Nations Environment Programme Finance Initiative (UNEP FI). This will provide us with the opportunity to learn and share with our regional and international peers on the sustainability topic.

**“THE GROUP’S CORPORATE SUSTAINABILITY STRATEGY AIMS AT ALIGNING BUSINESS DEVELOPMENT AND PROFITABILITY WITH THE NOTION OF SUSTAINABILITY OVER TIME.”**

### **At the beginning of 2020, the Group launched the 'Klima' initiative. How do you see the Group's role in tackling the fight against climate change?**

**RG:** Although our economy faces many significant challenges in the wake of COVID-19, climate change remains the defining issue of our time. Mauritius, like all small island states, is highly exposed to the consequences of climate change. The 'Klima' conference was aimed at raising the awareness of our population, ignite change and collectively work towards finding a fair and inclusive solution to climate change. We believe that the path to a low carbon economy is not a constraint but an economic opportunity. We have this opportunity to create a more stable and prosperous future embedding the development of low-carbon offers, the decarbonisation of the energy mix and very importantly, as Pierre Guy and Alain highlighted, the emergence – in the continuity of our 'Lokal is Beautiful' initiative – of a more local and decentralised economy, all relevant contributors to sustainable economic growth. Aiming for carbon neutrality for our country is ambitious, but it is a necessity. As a key financial actor, our role is to finance this transition to a low carbon economy by providing the appropriate financial products, services and support to our clients.

### **How can this 'Klima' initiative thrive in a world struck by the COVID-19 crisis? COVID-19 has triggered a severe economic crisis in Mauritius and the world. How can the fight against climate change be enhanced by economic recovery packages and measures?**

**RG:** I believe that the coronavirus pandemic and climate change are not black swan events. Although they both require honest, science-based policymaking, I think it is infinitely more justified to act in the case of the ecological crisis than in the case of the health crisis because it affects every inhabitant of planet earth, not a few thousand people, and not for a time, but forever.

## MESSAGE FROM TOP EXECUTIVES (CONTINUED)

António Guterres – the United Nation (UN) Secretary-General – recently argued that “the climate threat is much more serious than the pandemic”. The latter may have forced nearly half of humanity to confine itself for weeks and led to a historic plunge in global economic activity, but it has only resulted in a momentary reduction in carbon dioxide emissions. Pierre Guy, Alain and I firmly believe that we should be seeing the COVID-19 crisis as a tipping point, an opportunity to ensure a greener, more inclusive economic recovery. Developing new sectors linked to reaching carbon neutrality for our country will create new jobs, businesses and at the same time bring about positive environmental impact. The Group is committed to playing its role in this economic transformation. However, the authorities also have a crucial role to play. They should also provide economic stimulus packages that will encourage businesses to shift to greener technologies. Countries in Europe have tied the allocation of recovery packages to successful implementation of environmental and climate initiatives. Without this kind of incentives, we face the risk of short-termism, leading us back to the ‘business as usual’ mindset and the COVID-19 crisis would then have served no purpose.

**“AIMING FOR CARBON NEUTRALITY FOR OUR COUNTRY IS AMBITIOUS, BUT IT IS A NECESSITY. AS A KEY FINANCIAL ACTOR, OUR ROLE IS TO FINANCE THIS TRANSITION TO A LOW CARBON ECONOMY BY PROVIDING THE APPROPRIATE FINANCIAL PRODUCTS, SERVICES AND SUPPORT TO OUR CLIENTS.”**

### What are the main social/environmental barriers in Mauritius that the Group would like to help overcome?

**RG:** As climate change imperils communities, livelihoods, and lives, organisations worldwide are reconsidering what it means to be sustainable. Corporate leaders everywhere have begun to view the health of the planet as a bellwether of their business’ long-term prospects: there is no business to be done on a dead planet. Strong-minded consumers have pushed to end the era of shareholder-first, planet-last practices, forcing companies to focus on risk awareness and reform. Sustainable development is a race against time, and against our reluctance to change our collective beliefs as well as our individual decisions and lifestyles. The recent Wakashio oil spill is a perfect example of this change in collective behaviour and belief that unity, solidarity and trust can have immense impact on communities, on the biodiversity, on the collective sense of pride, and hopefully and eventually on government policies. It is now very clear that a more inclusive society, based on equity and solidarity, is a key factor of resilience to major crises, including the climate crisis. We have an ethical imperative to work, in the forthcoming years, at bridging the gender gap but also at building a more inclusive economy. I am personally very worried by the complexity of our challenges in Mauritius, climate change, mega-pollution, COVID-19, inequality, lack of competence and corroded policies, but also incredibly inspired by the world breakthroughs in science, technology, know-how that we will benefit from. More importantly by the determination of young people especially, all around the world, for a better future. There is no excuse for any of us to be morose or pessimistic. The job of those of us who have been in this fight for a while is to help empower today’s young generation to become leaders to build a more decent world. What could be more exciting and rewarding than contributing to the future, and leaving a positive legacy for our children and grandchildren? It is truly its own reward.

### What can be expected from MCB Group in the coming months/years?

**PGN:** We have initiated a number of steps to promote sustainability on various fronts and to facilitate the transition to more sustainable practices for our clients. Over the last few years, we have been reducing our own energy consumption by investing in energy efficient solutions where possible but we are going even further. The Bank has retroactively offset all its operational carbon emissions generated in 2018 and will continue to do so in the coming years. We want to encourage our customers to do the same and to do what it takes to adopt environmentally friendly practices in their operations. In order to go even further in our sustainability approach and ambitions, and involve our customers, we are working on financing solutions that will consider sustainability criteria in the credit cycle process. By doing so, we will be encouraging our customers to progress in their own sustainability journey via the financial incentives and support.

**RG:** Our teams are working hard on various internal and external initiatives that will be uncovered over the new financial year. Our focus will remain to ensure progress on the sustainability targets we set ourselves last year, as well as deliver on our climate commitments. We will also continue promoting a more ‘lokal’ economy that will be even more relevant in the context of the COVID-19 aftermath. We will also look at the economics of equal opportunity in the workplace. The workplace is in upheaval, with a massive disruption in jobs and career paths. This was already the case because of artificial intelligence, robotics, and the digitalisation of the economy, but COVID-19 has dramatically accelerated and amplified this disruption. We will engage in a deep rethinking of jobs and on how to make both occupational tasks and businesses more equitable and inclusive with many different modes of engagement. We will constantly further our collaboration with our partners and stakeholders in order to bring systemic change where it is legitimate for us to do so. COVID-19 will not stop us in our ambitions.

**ALM:** MCB Group will continue to promote the ‘Lokal is Beautiful’ philosophy. We firmly believe that a strong local economy will help the country mitigate the impact of the economic downturn resulting from the COVID-19 crisis and help to sustain its recovery. We will be attentive to the needs of our clients in the midst of these unprecedented and unstable times while supporting entrepreneurs and corporates in their fight to stay afloat. COVID-19 will undoubtedly accelerate our sustainable finance deployment initiatives to invest in a better, greener tomorrow, and we will continue our fight against poverty and for greater inclusion via our CSR Foundation. The well-being of our employees is at the heart of our sustainability agenda and we started deploying a number of initiatives to promote better engagement, diversity and work life balance among our staff. Our sustainability strategic plan, which was validated by the board early this year have started as planned. We trust that the lessons from our sustainability initiatives implemented locally can be replicated in an impactful manner in our Indian Ocean subsidiaries, and scaled up in Africa. By sharing our sustainability vision and concept with African financial institutions and corporates, we aim to make the most of the untapped economic opportunities on the continent, in a responsible manner.



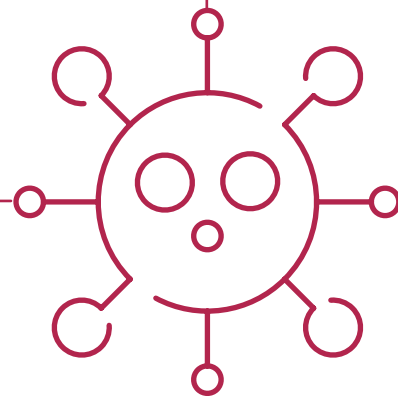
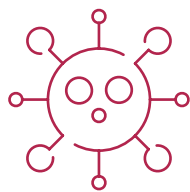


# OUR RESPONSE TO COVID-19

Some of the key actions that we have implemented during the pandemic:

## EMPLOYEES

- We took several measures to ensure the continuity of business and uphold the delivery of minimum service to our customers. Work from home practice and reorganisation of work process such as operating in split and rotating teams were adopted. Dedicated technological and infrastructure support was provided.
- Sanitary and health practices and procedures were deployed to ensure the safety and health of our employees.
- Around 2,200 employees (66% of the staff) worked from home during the lockdown period in Mauritius.
- All meetings and trainings were done through virtual platforms during the lockdown and we are still favouring online meetings where practicable.
- Regular communication with our employees took place through various channels - newsletter, emails, and our intranet platform 'Workplace.' Our in-house Psychologist and Wellness Coordinators helped employees manage their emotional challenges during the lockdown.
- Availability of tele-medicine services to employees during the confinement period.
- Around 1,000 COVID-19 tests were conducted on our employees at Group Level.



## SOCIETY AND COMMUNITIES

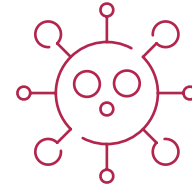
- We remained committed to helping communities and vulnerable families during the pandemic.
- We donated Rs 10 million to the national COVID-19 Solidarity Fund which has been put in place by the authorities.
- MCB Ltd donated Rs 1.7 million to the crowdfunding platform, 'Small Step Matters', for the distribution of 1,470 food packs to households not found on the national Social Register.
- In May 2020, we launched the MCB COVID-19 Solidarity Fund to help NGOs that needed immediate funding in response to the COVID-19 pandemic. This fund is managed by the MCB Forward Foundation and our employees have the possibility to make a donation on a punctual or recurrent basis. Rs 5.9 million are currently available on that account and the funds will be used to support people that have been severely affected by the pandemic's economic consequences.



Read more in the Annual Report 2020

## AUTHORITIES AND ECONOMIC AGENTS

- We have interacted and collaborated with the Central Bank and the authorities in our presence countries to implement macro-financial measures deemed most effective to underpin the supply of credit and the delivery of dedicated clients solutions. This was done by making allowances for the new realities and requirements engendered by the pandemic.
- We have accompanied small, medium and large-sized businesses while they faced cash flow difficulties to remain afloat as far as possible, to pursue their activities and to mitigate job losses, thus helping to underpin resilient socio-economic development.



## CUSTOMERS

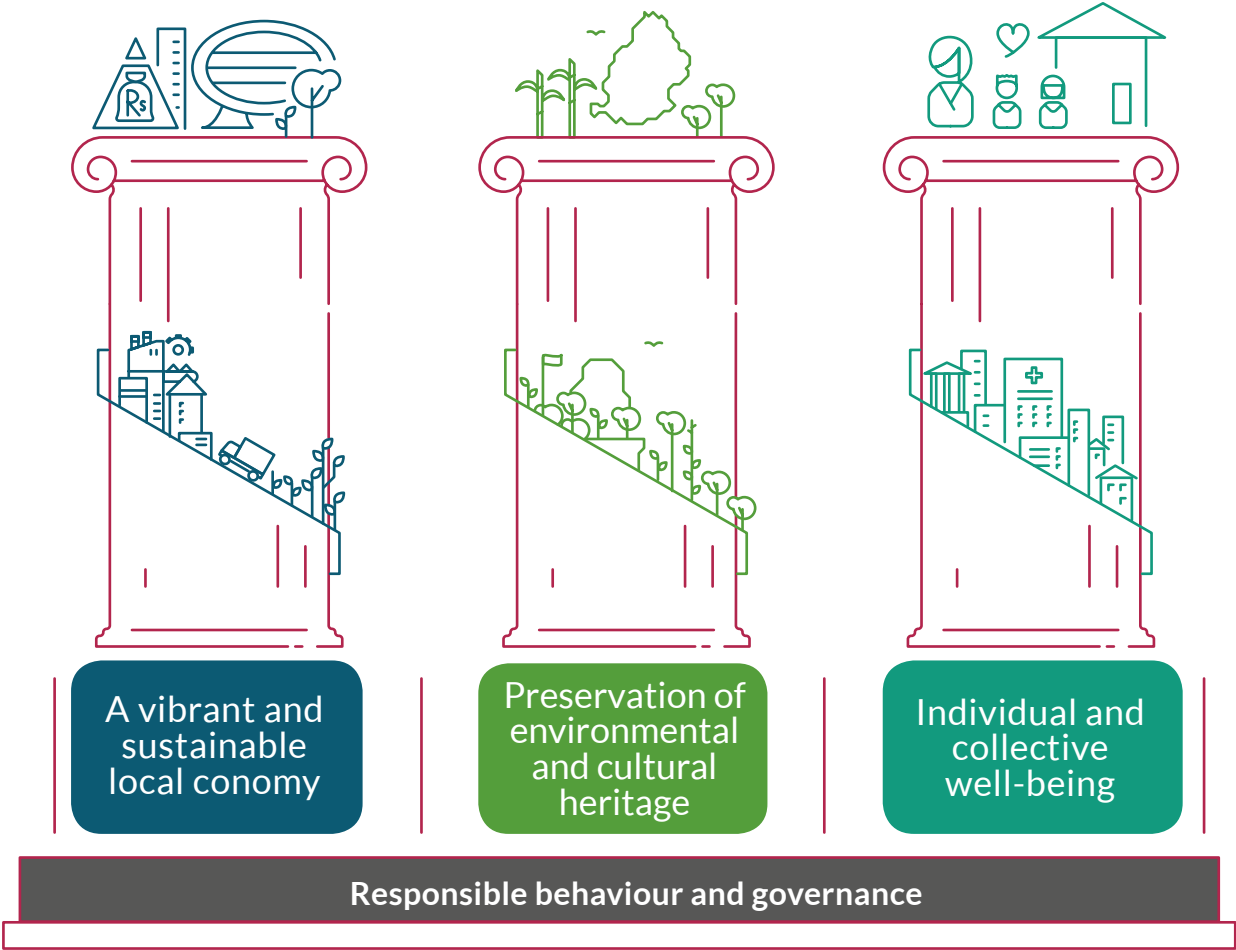
- We have taken immediate and short-term measures to assist individual and corporate clients to alleviate their financial burden, helping them sustain their activities.
- Well-structured financial solutions were delivered in collaboration with the Central Bank and the authorities - guarantees for working capital facilities, execution of relief programmes and provision of funding lines.
- Promoting digital channels and payment solutions.
- Individual customers – launch of COVID-19 Household Support Scheme for customers to apply for relief on their loan repayments; temporary waiving of fees (mainly card-related and funds transfer) to alleviate customers' financial burden; and setting up of a 24/7 help desk to attend to queries and banking needs of clients who were stranded abroad following the border closure.
- SMEs – provision of working capital facilities with flexible repayment and pricing terms; delivering flexible loan repayment solutions; and offering Free Business Deposit Cards for safe deposit of their money through ATMs.
- Large corporate clients – Provision of MUR working capital facilities with convenient repayment terms; deferment of capital repayments and potentially interest payments to help clients that are exposed to cash flow difficulties; provision of treasury services for priority needs such as payment of medical and education expenses and import of pharmaceutical products.



# OUR SUSTAINABILITY STRATEGY

'Success Beyond Numbers' is MCB Group's philosophy behind its strong commitment to be a responsible organisation. As a key financial institution in Mauritius, the organisation has a critical role to play in the economic development of the country by helping to tackle the known social, environmental and economic issues. The Group has redefined the way it measures success through 'Success Beyond Numbers', which focuses on value creation for its diverse stakeholders. There are three pillars for action in its Corporate Sustainability Programme, which was launched in November 2018.

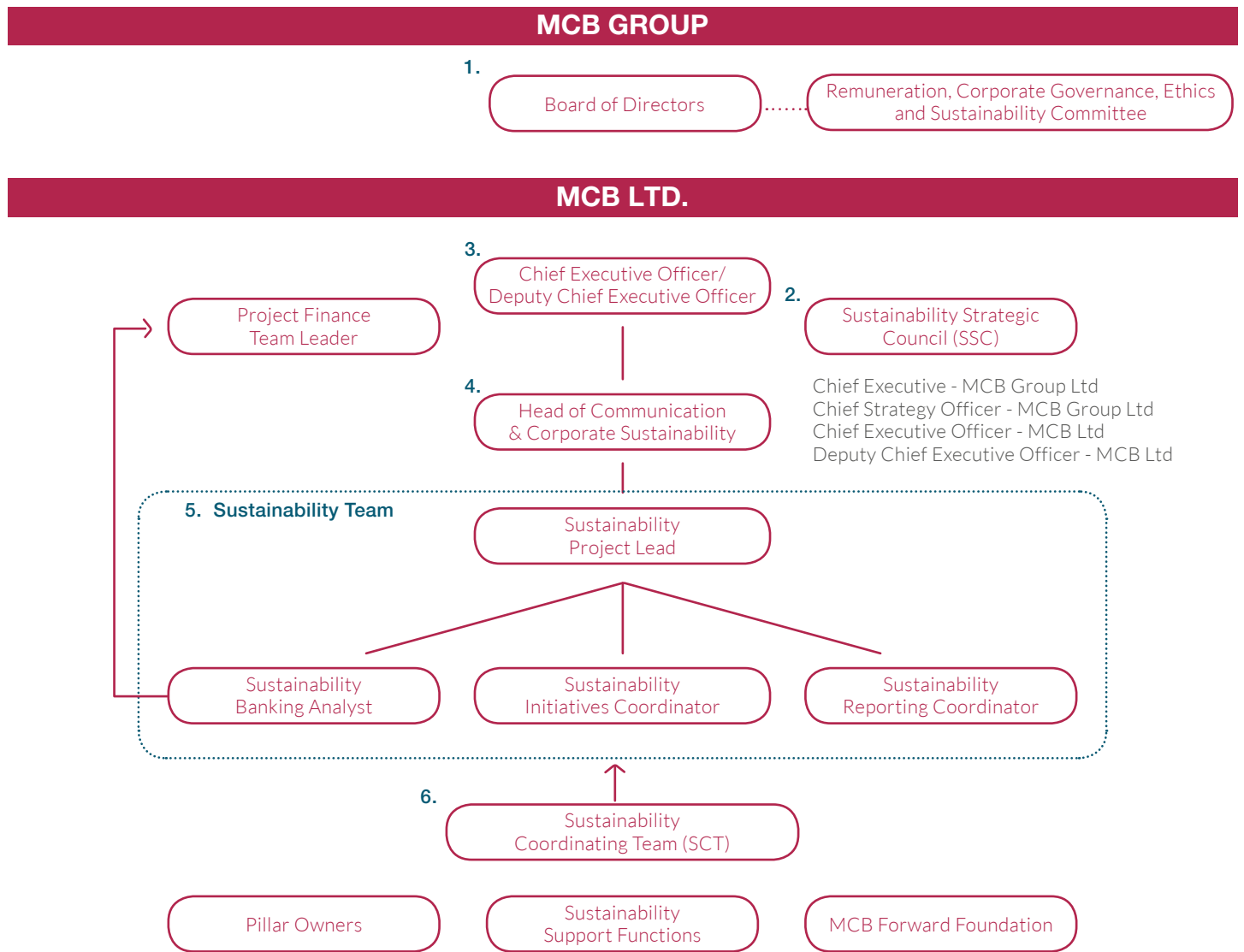
The Group's 2020-2026 sustainability strategic plan covers the three pillars:



## Our Approach

Our approach to sustainability is founded on the material issues of Mauritius and MCB Group. Our sustainability philosophy is informed by the international principles, guidelines and standards that we have committed to. This is supported by the governance structure shown and comprising of three levels of contribution including the Remuneration, Corporate Governance, Ethics and Sustainability Committee, the Sustainability Strategic Council, and the Sustainability Coordinating Team.

The implementation of our Corporate Sustainability Programme is driven by the Sustainability Team under the leadership of the Head of Communication and Corporate Sustainability. Three new members have joined the Sustainability Project Lead in 2020 to form a dynamic sustainability team with a cross-functional role to ensure integration of sustainability practices into the business. The mission of the Sustainability Banking Analyst is to assess according to the Equator Principles, the environmental and social impacts of projects financed, to ensure compliance with the Bank's Environmental and Social Risk Management policy and to drive the sustainability agenda at business lines level. The Sustainability Initiatives Coordinator is responsible for implementing and coordinating initiatives within the Group while the Sustainability Reporting Coordinator focuses on ensuring compliance with global commitments and facilitates reporting on the overall sustainability programme.



**1. Remuneration, Corporate Governance, Ethics and Sustainability Committee**  
 Appointment of a New Director with expertise in sustainability to better oversee the Group's sustainability strategy.

**2. Sustainability Strategic Council**  
 Top Executives and some Heads of Strategic Business Units are part of this council. New mandate and responsibilities have been established for better efficiency in approving strategic initiatives.

**3. Deputy Chief Executive Officer**  
 As the sustainability programme sponsor, the Deputy Chief Executive Officer approves and authorises tactical initiatives.

**4. Head of Communication and Corporate Sustainability**  
 Overall accountability for successful implementation of the Sustainability Programme.

**5. Sustainability Team**  
 Subject expertise for crafting sustainability strategic vision and plan, and implementation of initiatives.

**6. Sustainability Coordinating Team**  
 Operational Coordination of sustainability initiatives with Pillar Owners and other Heads of Business Units.

OUR SUSTAINABILITY STRATEGY (CONTINUED)

Key challenges to implementing our Sustainability Programme

Our Response

<p><b>Governance structure</b> Having the right and efficient governance structure to ensure the success of implementation.</p>	<ul style="list-style-type: none"> <li>Board commitment and monitoring by the the Remuneration, Corporate Governance, Ethics and Sustainability Committee, together with people participating at various levels, show our strong commitment to achieving sustainability.</li> </ul>
<p><b>Resources</b> Availability of manpower, time, and finance for implementation of initiatives.</p>	<ul style="list-style-type: none"> <li>A clear and structured timeline and planning.</li> <li>Commitment of Leadership Team.</li> </ul>
<p><b>Sustainability culture</b> Participation of all employees and enhancing behaviour.</p>	<ul style="list-style-type: none"> <li>Internal transparent communication.</li> <li>Awareness programmes for employees.</li> <li>Facilitating knowledge transfer and collaboration.</li> <li>More autonomy in implementing actions and recognition of individual involvement.</li> </ul>
<p><b>Operational</b> A strong data collection and analysis culture for efficient measurement and monitoring of set objectives.</p>	<ul style="list-style-type: none"> <li>Use of the right tools for measurement and monitoring of key performance indicators.</li> <li>Provision of adequate resources (people, time, financial)</li> </ul>

**OUR COMMITMENTS AND PARTNERSHIPS**

- UN Sustainable Development Goals (UN SDGs)**
- UN Environment Programme Finance Initiative Principles for Responsible Banking (UNEP FI PRB)**
- UN Global Compact principles**
- Equator Principles**
- GRI Sustainability Reporting Standards**
- International Integrated Reporting Council (IIRC) < Integrated Reporting > Framework**
- Agence Française de Développement (AFD)**
- UN Global Compact Network Mauritius**
- Stock Exchange of Mauritius Sustainability Index (SEMSI)**



### MCB Ltd Sustainability Rating by Ecovadis

MCB obtained a Sustainability score of 53/100 equivalent to a Bronze medal in a recent assessment of its sustainability practices .

The objective of the rating methodology is to measure the quality of MCB’s sustainability management system through its policies, actions and results in the following areas: environment, labour and human rights, ethics and sustainable procurement.

#### STRENGTH

Good environmental, labour and human rights and ethics practices and reporting

#### AREA OF IMPROVEMENT

Sustainable procurement practices

### UNEP FI Principles for Responsible Banking

#### PARTICIPATING IN ‘STRUCTURE OF REPORTING’ WORKING GROUP

MCB is currently taking part in virtual interactive sessions together with international signatory banks. The objective of the working group is to empower signatory banks to report on their implementation of the PRB – integration with other reporting framework in order to leverage existing reporting information. It started in June 2020 with one virtual interaction per month.

#### UNEP FI AND HARVARD RESEARCH PROJECT ON THE SUSTAINABLE RECOVERY FROM COVID-19

This research project which was conducted by the two institutions in May-July 2020 will give high level recommendations on recovery from the crisis while accelerating the transition to a better and sustainable economy. We have shared the measures taken by the Bank during the pandemic lockdown in Mauritius.

### MCB Group MSCI ESG Rating

In 2020, MCB Group received a rating of A (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.



#### Disclaimer

The use by MCB Group of any MSCI ESG Research LLC or its affiliates (“MSCI”) data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of MCB Group by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided ‘as-is’ and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

## Our Sustainability Journey



### Future commitments

- ASSESS THE OPPORTUNITIES AND RISKS/IMPACTS RELATING TO CLIMATE IN OUR FINANCING PORTFOLIO
- STOP THE FINANCING OF NEW COAL-FIRED POWER PLANTS IN MAURITIUS BY 2022
- STOP ALL NEW FINANCING WORLDWIDE FOR COAL INFRASTRUCTURE AND TRADE, WHETHER THERMAL OR METALLURGICAL



## Stakeholder Engagement

We believe that the growth and success of MCB Group relies on our approach in understanding the requirements, expectations and challenges of our different stakeholders. The Group engages with its key stakeholders through several channels that facilitate understanding and responding to their needs.



### KEY EXPECTATIONS

- Career development
- A safe and healthy work environment
- An employer that promotes inclusiveness and diversity
- Fair remuneration and recognition

### ENGAGEMENT APPROACH

- Engagement survey
- Discussion platforms
- Workplace (Internal communication platform)
- Performance management system
- Training sessions including Talent Management Programme



### KEY EXPECTATIONS

- Contributing to foster inclusive socioeconomic development
- Financing key projects shaping the economic landscape

### ENGAGEMENT APPROACH

- Meetings and discussions with the Mauritius Bankers Association, Business Mauritius, Economic Development Board and other institutions



### KEY EXPECTATIONS

- Excellent product offering and digital solutions
- Good customer service and experience
- Easy access to banking facilities
- Data security and privacy

### ENGAGEMENT APPROACH

- Surveys
- Digital platforms and mobile application for banking services
- Focus groups
- Social media
- Branch teams and kiosks
- Relationship Managers



### KEY EXPECTATIONS

- Establishing procurement guidelines in line with best practices on governance, human rights and environment protection
- On time payments

### ENGAGEMENT APPROACH

- Survey and audit
- Meeting
- Partnership and support to upskill suppliers



### KEY EXPECTATIONS

- Promoting socioeconomic development
- Preserving our environmental and cultural heritage
- Caring for the communities

### ENGAGEMENT APPROACH

- MCB Forward Foundation
- Ongoing dialogue with NGOs and partners
- Sponsoring events



### KEY EXPECTATIONS

- Compliance with applicable legal and regulatory requirements
- Preserving the stability and security of the financial sector

### ENGAGEMENT APPROACH

- Regular meetings
- Reports submission



### KEY EXPECTATIONS

- Sustainable returns on investment
- Growth of the Group and generating adequate earnings
- Ensure that business decisions are made by considering the global context

### ENGAGEMENT APPROACH

- Annual General Meeting
- Online interface
- Earnings calls
- Analysts meeting
- International road shows
- Conference call and meeting

### Our Material Issues

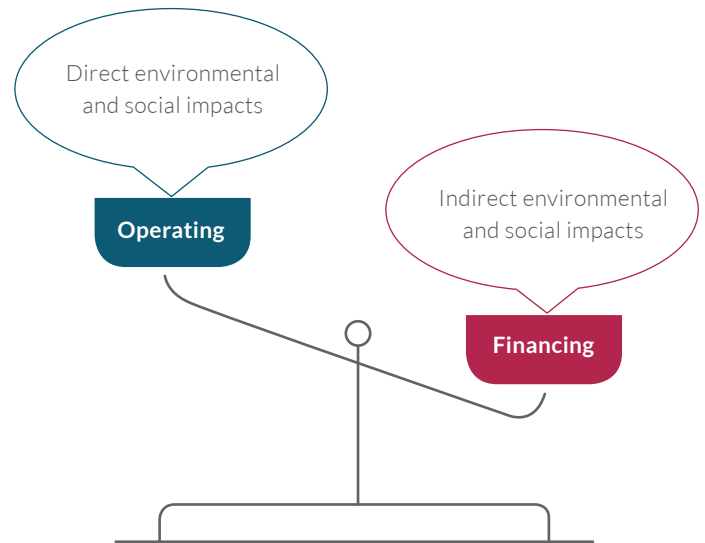
We have identified our material issues by considering our economic and geographical features as well as international issues affecting the banking sector. Our methodology is underpinned by two key analyses.

- The [Gapframe analysis](#) – it is based on the Sustainable Development Goals and has been used to contextualise the material issues of Mauritius because we believe that MCB has a key role to play in helping the country bridge the most important gaps as well as to reinforce and leverage its most important strengths.
- The Datamaran\* Artificial Intelligence powered analysis – this assessment which highlights the most salient regional and sectoral sustainability issues tackled by peers of MCB in their sustainability reporting was conducted in 2018.

It is important to point out that for each material topic, the Group has direct and indirect socioeconomic and environmental impacts. Direct impacts result from daily internal operations while indirect impacts which are more significant are caused by our products and financing activities.

The United Nations Sustainable Development Goals define global priorities for 2030 in order to achieve a better and sustainable future for all by ending poverty, protecting the planet, and improving the lives of everyone. The United Nations intend to bring together countries, policy makers, businesses, youth, civil society, the media, academia and other stakeholders so as to achieve this 2030 agenda.

MCB has assessed its contribution to each of the UN SDGs and accordingly identified **eleven priority goals** that are aligned and relevant to its operations and the local context.

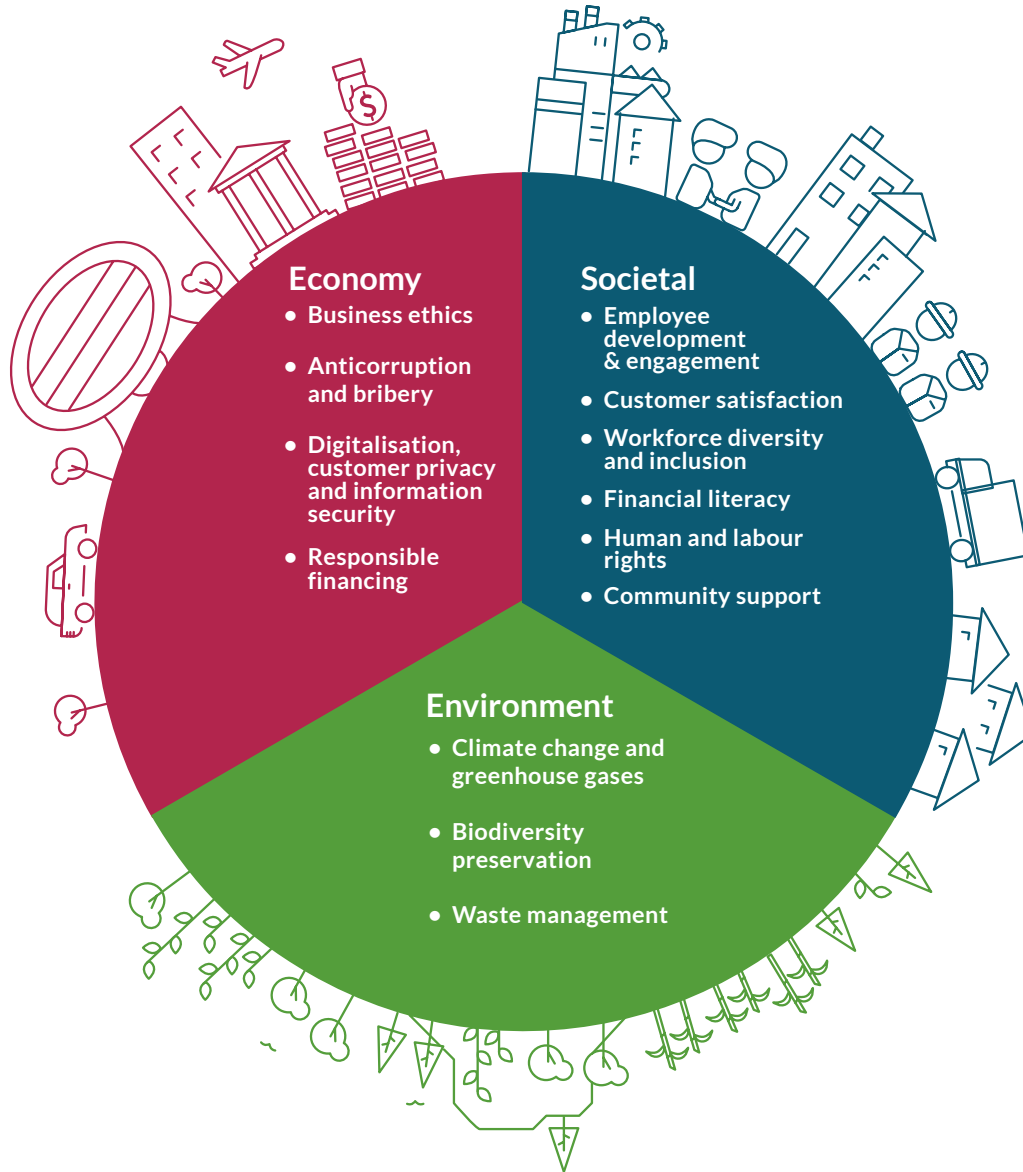


### LOOKING AHEAD

We have established an action plan with several milestones for the coming years.

- We are currently developing a sustainability policy linked to 'Success Beyond Numbers'.
- Implementation of actions and monitoring of objectives and targets under the three pillars of our sustainability programme.
- Implementation of UNEP FI Principles for Responsible Banking by first conducting an impact analysis of the operations.
- Upgrading of our Environmental and Social Risk Management policy and process through the integration of the revised Equator Principles (EP4) which was released in November 2019.
- Providing training to our employees on sustainable finance.
- Exploring the possibility of integrating Sustainability Linked Loan Principles in our products.
- UN Global Compact Local Network Mauritius – promoting sustainable development in Mauritius as Council Member.

\* *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, sustainability reports and Securities and Exchange Commission filings), mandatory regulations and voluntary initiatives, as well as news and social media.





## Ethics and Integrity

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

Values – Integrity, Customer care, Teamwork, Innovation, Knowledge and Excellence

Compliance with policies and rules and regulations:

- [Code of Ethics](#)
- [Whistleblowing Policy](#)
- [Conflicts of Interest and Related Party Transaction 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

Our ethical culture is driven by the following key elements:

- Robust risk governance and internal control
- Prevention of corruption and money laundering
- Information security and customer privacy

Detailed information on the Group's corporate governance practices are available in the 'Corporate Governance Report' section of its Annual Report 2020.

## RISK GOVERNANCE AND INTERNAL CONTROL

The Board of MCB Group has the ultimate responsibility to maintain a robust risk management and internal control system, which it regularly reviews to cater for new emerging risks and threats emanating from the operating context. The Board ensures that the internal control framework in place results in an acceptable level of risk exposure whilst guaranteeing compliance with internal established policies and procedures and relevant laws and regulations. There are dedicated processes in place to ensure risk identification, mitigation and management. Independent assurance is provided by both internal and external auditors.

The main risks identified are grouped into: credit risk, country risk, market risk, interest rate risk, foreign exchange risk, funding and liquidity risk, operational risk, information risk, cyber risk, regulatory and compliance risk, reputation risk, strategic and business risk.

In line with our practices, any applications and requests suspected in fraudulent/illicit activities or associations are turned down. The Bank also raises awareness of its clients on fraud through its website mailing, communication campaigns and official letters. A 'Termination of Customer's Relationship' policy is currently being finalised with relevant internal stakeholders to formally address this issue.

## PREVENTION OF CORRUPTION AND MONEY LAUNDERING

The Head of the Legal Strategic Business Unit acts as the Money Laundering Reporting Officer (MLRO) to ensure strict independence. While reporting to the Head of Internal Audit, the Anti-Money Laundering/Fraud Prevention (AML/FP) Business Unit promotes staff awareness on fraud and money laundering risks. It conducts enquiries with respect to suspected fraud cases perpetrated internally or by outsiders. The Compliance function is also involved in promoting staff awareness in this area.

### FOR THE YEAR ENDING 30 JUNE 2020

**0** Claim through whistleblowing

**29** Sessions on fraud awareness, cybercrime, and Anti-Money Laundering and Combating the Financing of Terrorism. Participation of **197** employees from the Group including local and overseas subsidiaries

**18,877** Financial crime risk management alerts investigated and closed

**230** Internal suspicious transactions reports investigated, out of which **208** were filed at the Financial Intelligence Unit

**1,993** Fraud/ alleged fraud cases investigated

In 2020, Mauritius was included in the European Commission's list of High Risk Third Countries (that is those with deemed strategic deficiencies in their Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regimes). It is important to highlight that no strategic deficiencies were identified by neither the Financial Action Task Force nor the European Commission regarding the Mauritian banking sector, which remains a highly regulated sector, and complies with international best practices and standards. Our Annual Report 2020 provides more information on this situation.

### INFORMATION SECURITY AND CUSTOMER PRIVACY

Information security and data protection for clients are critical for the Group. We are continuously strengthening and formalising the controls and processes associated with data privacy, data security and data subject rights, including compliance with national Data Protection Act (DPA) 2017 and the European Union General Data Protection Regulation (GDPR). We have also a 'Handling of Confidential Information' policy to guide employees in this area. The Information Risk Management team has been active in conducting online awareness sessions on Information security policy, prevention of social engineering attacks, GDPR and DPA for all employees of MCB Ltd. Some measures that were taken during the year on data handling were penetration tests, security reviews, continuous monitoring of technical controls and risk assessments.

### Human Rights

The Group has several responsibilities that are directly linked to the support of human rights. These include creating employment and engaging its workforce, responsible banking, provision of financial services to clients, the purchase of goods and services, and social investment and philanthropy. MCB has committed to the Ten Principles of the United Nations Global Compact since 2007. We continuously apply these principles to our operations to ensure that human rights are included and respected. By also adopting the Equator Principles for project financing, we have demonstrated a strong commitment to upholding human rights.

We have implemented many actions in this area by engaging with our stakeholders namely employees, clients, suppliers, subcontractors, and the communities we serve. These actions are highlighted throughout this Sustainability Report.

### Equator Principles

MCB Ltd has voluntarily adopted the Equator Principles in May 2012 to identify, assess and manage environmental and social (E&S) risks in projects financed by the Bank. Those principles aim at implementing due diligence to support responsible risk decision-making. The Bank's Environmental and Social Risk Management (ESRM) policy is founded on this framework and applies to any project entailing loans of an aggregate amount greater than or equal to USD 2 million and having a maturity of at least 24 months. Projects are grouped into three categories namely A, B and C, based on their potential impacts and risks. Category A indicates projects with potentially significant adverse and irreversible E&S impacts, Category B denotes projects with potentially limited adverse but largely reversible E&S impacts, and Category C designates projects with minimal or no E&S impacts.

The Equator Principles were updated and the fourth version was released in November 2019. The Bank is actively working on integrating the new version of Equator Principles (EP4) into its project financing process. We have appointed a full-time Sustainability Banking Analyst to enhance the existing ESRM policy, conduct training and awareness sessions, and improve the environmental and social risk management and monitoring process of projects financed. The Analyst has the responsibility of reviewing the environmental and social aspects of projects, and encouraging clients to address potential or actual adverse risks and impacts during the project development lifecycle.

Some key changes in EP4 are currently being integrated by the Bank to foster a better alignment with the UN Sustainable Development Goals:

- Human rights - Focus on respect for Human rights in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs) 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.

---

Projects financed under the Equator Principles for the period  
July 2018 to June 2019

#### 2 projects of Category A (as per EP reporting)

- Sector: 1 in Infrastructure and 1 in Power
- Geography: Europe, Middle East & Africa

---

### Customers

We always place clients at the heart of everything we do. As the leading bank in Mauritius, we strive to offer clients tailored and simplified solutions and experiences to help them meet their goals, therefore contributing to their financial well-being and prosperity. MCB is continuously improving on the accessibility of its products and services through the geographical locations of its multiple branches and by connecting digitally to its customers.

---

#### MCB Ltd

**987,700** Individual Customers

**34,500** Non-individual Customers

**85,883** Rupys Accounts (for children aged under 18)

**40** Branches including kiosks (24/7)

**178** ATMs

---

**CUSTOMER SATISFACTION**

MCB continuously enhances the level of service in order to provide an excellent customer experience. We regularly seek customer feedback on our solutions through surveys and focus group discussions with the aim of improving our value proposition. Complaints also contribute to improve the quality of the products and services by encouraging the Bank to innovate and develop solutions that meet the needs and expectations of its clients. The Bank has implemented a complaint resolving process to address customer complaints efficiently. Complaints are grouped into several categories such as customer service, technical, fees and charges, internet banking, fraud claims, and loan.

The Bank has additionally set up a customer lab which offers a distinctive set of capabilities to help the organisation create and sustain value. The lab aims to bridge the gap between MCB and its customers by putting them at the heart of everything it does, observing their experiences, implementing custom-built voice-of-customer frameworks, and by adopting a customer-centric approach to drive product and service developments and innovation. The lab helps all the business lines gather customer feedback and insights through customer research and market data, and acts as a beacon by encouraging co-creation with customers and using human-centered design practices. During the year, the lab has worked with more than 2,000 customers to redesign solutions and experiences.

**MCB CUSTOMER COMPLAINTS**



- 22% ● Complaints resolved in more than 5 days
- 78% ● Complaints resolved in less than or equal to 5 days

**LOOKING AHEAD**

MCB Ltd will continue to uphold the trust of its different stakeholders. This also includes compliance with environmental, social and governance principles and framework that it has adopted. The Bank will continue to contribute to the positive socioeconomic development by providing customised and simplified solutions and delivering excellent services to its clients.







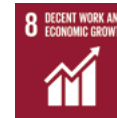
Beautiful

is



# A VIBRANT AND SUSTAINABLE LOCAL ECONOMY

UNGC Principles 1, 2, 3, 4, 5, 6, 8, 9



The Group has been supporting entrepreneurship and innovation in Mauritius for over 180 years and as a result, has contributed to the country's prosperity. We are very conscious of the fact that global challenges such as climate change, water crisis, biodiversity loss and natural disaster, in addition to the current economic crisis, are influencing our way of doing business. This systemic assessment has motivated the Group to redefine its responsibilities and review its role as an active steward of the country's economic growth. The thinking has led to exploring new ways to achieve greater and sustainable prosperity.

The organisation contributes significantly to the socioeconomic development of the country. Our direct impacts relate to employment opportunities for our people, job creation along our value chain through the sourcing of products and services, and our contribution as taxes to support public spending. Our indirect impacts are linked to value creation including jobs through the loans we disburse to clients to support the production of goods and services. MCB Ltd has evaluated the direct and indirect impacts of its banking activities for the period January to December 2018 using the LOCAL FOOTPRINT® model. The assessment has shown some interesting results on its impacts - for example, MCB Ltd has supported around 112,645 jobs in Mauritius and contributed Rs 86.9 billion to the economy representing 17% of Mauritius' GDP. The detailed impact assessment is available in its Sustainability Report 2019.

## 'LOKAL IS BEAUTIFUL'

In 2019, a study entitled 'Lokal is Beautiful' together with a corresponding credit facility 'Lokal is Beautiful' scheme targeted at small and medium local enterprises (SMEs), were launched. The aim was to inspire entrepreneurs to explore three kinds of avenues in order to build the prosperous, sustainable and resilient Mauritius of tomorrow. The scheme has lower interest rates and more flexibility for SMEs that have a local impact and responsible operations, and was initially designed for financing capital expenditure. We are currently reviewing the 'Lokal is Beautiful' scheme by widening its scope to make it a general purpose loan through partial adoption of Sustainability-Linked Loan Principles.

## SME MARKETPLACE TO SUPPORT LOCAL BUSINESSES

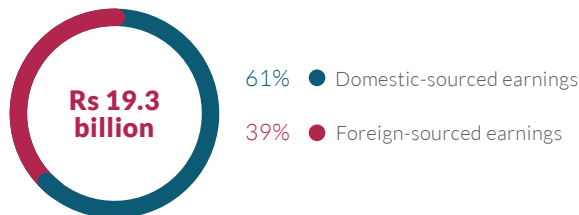
In the spirit of 'Lokal is Beautiful', MCB has developed a new service to support SMEs: the **SME Marketplace**. It will be launched in 2021, aiming to provide every Mauritian SME with its own customised profile page as well as access to additional resources tailored to their needs.

First and foremost, this marketplace will provide SMEs with an opportunity to showcase the high quality and special features of their products and services through a set of tools, aiming to effectively differentiate their offer, enhance their visibility and desirability in the Mauritian market and ultimately bolster their sales to other participating SMEs as well as larger corporations.

Furthermore, this Marketplace will enable SMEs to access relevant information (trends, best-practices, how-tos, health-check tools and templates) and services from carefully chosen professional service providers, in order to provide entrepreneurs with the tailored support they need to grow their businesses in a sustainable and structured way as well as ensure enhanced visibility of participating SMEs to a network of selected investors.

The SME Marketplace has been designed to empower local businesses to embrace an entrepreneurial attitude aligned with the three pillars of our 'Lokal is Beautiful' initiative. This implies from adopting a 'Maker' attitude through the platform's specialisation services to establishing more 'Circular' business models by streamlining the access of participating SMEs to underutilized and recycled resources, all the way to fostering a 'Smart' approach by pooling digital services and resources between SMEs.

## MCB LTD - OPERATING INCOME IN FINANCIAL YEAR 2020



## THE THREE AVENUES TO A SUSTAINABLE ISLAND



Making Mauritius a 'maker island' means increasing its ability to produce what it consumes using local resources (human, material, technical, natural)



'Looping the loop' of local economic and material circuits to make Mauritius a 'circular island' can be a powerful generator of wealth and innovation.



What if the island's economic intelligence consisted in creating value rather than products?

MCB believes that building a vibrant community of local SMEs will generate more local business opportunities, increase the local multiplier effect and enhance the ability of local SMEs to build momentum on the island and expand their business at scale within the Indian Ocean region and beyond.

### Resilient Production: The Key to a New Mauritian Economic Impetus

The COVID-19 pandemic has stressed on the heavy dependence of Mauritius on imports, thereby bringing into sharp focus the question of the island's resilient production. Disruptions in the supply chain caused by the global sanitary crisis have sparked difficulties for businesses across the island, particularly SMEs. In this challenging context, 'Lokal is Beautiful' now appears more relevant and urgent than ever. What our island needs today is simply a new Mauritian impetus rooted in resilience, and we, MCB Group intend to lead the way. Hence, we have commissioned a study with French sustainability consulting firm Utopies to provide us with a deeper understanding of Mauritius' productive fabric, identify opportunities for diversification and most importantly, establish an operational strategy to spearhead the emergence of a more locally-anchored, diverse and prosperous economy. Currently in the pipeline, this report will identify the most promising products and sectors to jumpstart the island's resilient revolution based on existing local know-how and demand.

#### What is resilient production?

In nature, resilient ecosystems are characterised by greater functional diversity, offering an abundance of alternative and complementary processes for any given function. For example, a spider: though a spider web is seldom flawless, breaking a single of its threads does not jeopardise its integrity, which means that the spider will rarely need to weave a new web from scratch. Similarly, the more diversified an economy, the more it is able to offer alternatives and synergies, the better it will respond to a shock, finding new markets and/or adapting to local needs.

#### How resilient is Mauritius to date?

According to a recent study\*, Mauritius sits at the 79<sup>th</sup> place of the global resilience index, with a score of 20.5%, far behind the world's most resilient economies, namely China and Italy who tie for 1<sup>st</sup> place at 49.3%. This score simply indicates that in the case of a major disruption, Mauritius is able to produce at best 20.5% of commonly consumed goods on the island, either because it already produces them or because it produces at least two similar products, requiring a significant productive leap. In this case 'similar products' means products featuring a proximity between production processes, either in terms of inputs or know-how. In other words, Mauritius is presently incapable of manufacturing 4 out of 5 commonly consumed goods on the island. This score highlights the long journey that lies ahead for Mauritius to become a resilient island in production terms. Indeed, though there exists no established standard in the matter, it seems reasonable to say that a country should be able to produce at least two-third of commonly consumed goods to qualify as resilient. However, it also shows the strong potential of the island's productive fabric, which is more resilient than many developed insular economies, scoring better than Malta (19.5%), Singapore (19.2%) and Iceland (9.7%).

Insular economies		Indian Ocean	
Cyprus	27.4%	India	37.2%
Sri Lanka	25.5%	Sri Lanka	25.5%
Dominican Rep.	23.7%	Kenya	23.0%
New Zealand	22.8%	Mauritius	20.5%
Mauritius	20.5%	Tanzania	19.6%
Malta	19.5%	Madagascar	13.3%
Singapore	19.2%	Mozambique	8.2%
Tuvalu	17.1%	Seychelles	6.0%
Madagascar	13.3%	Somalia	3.1%
Iceland	9.7%	Maldives	2.0%
Cabo Verde	8.6%	Comoros	1.2%
Trinidad & Tobago	7.2%	Reunion	N.A
Seychelles	6.0%		
French Polynesia	4.7%		
Bermuda	4.5%		
Maldives	2.0%		
New Caledonia	1.4%		
Comoros	1.2%		
Réunion	N.A		

#### How to make Mauritius a resilient island?

Currently, Mauritius features a moderately dense productive fabric that is quite specialised, mainly on products with a low degree of sophistication, such as textiles and agriculture. Increasing the country's resilience will require diversifying production to better meet local needs but also reorienting local production towards new, more sophisticated products for export. Indeed, research from Harvard's Growth Lab shows that countries whose exports are more sophisticated than expected for their income level, grow faster.

To achieving greater resilience will require strong local purchasing policies supported by a holistic strategy focused on:

- Stimulating local entrepreneurship
- Generating synergies between local SMEs
- Attracting foreign know-how and investment in a targeted way
- Kick-starting innovation in cutting edge, high-tech industries with strong potential for regional exports such as the medical sector, energy and new ocean-related industries.

MCB Group intends to continue its efforts to stimulate Mauritius' local economy and to take decisive action to facilitate the island's recovery from the current crisis based on the soon to be published findings of this report.

\*COVID-19: A question of productive resilience  
(<https://www.utopies.com/publications/covid-19-une-question-de-resilience-productive/>)

## Impact Ecosystem in Mauritius

In line with its objective to create a sustainable local economy, a study entitled 'Impact Ecosystem in Mauritius' was conducted to explore ways to support local entrepreneurs in view of promoting social change such as fight against drugs, poverty, illiteracy, and supporting the emergence of social entrepreneurship in Mauritius. Three areas have been identified in the study by creating a multi-purpose impact fund for social enterprises, providing support to young entrepreneurs through bootcamps and financial and operational prizes, and mobilising people for start-up creation. The study has shown that the impact ecosystem in Mauritius is not mature for the time being for MCB to get involved directly in this business.. We are nevertheless engaging in partnerships with existing business accelerators or start-up incubators to contribute to this economic sector.

## Microfinance

MCB Microfinance Ltd was established in July 2016 to provide loans to micro-enterprises and self-employed individuals, in line with the Group's pledge to foster financial inclusion and empowerment of micro entrepreneurs. Microfinance is a means of making financial services available to all, creating employment opportunities and therefore growing communities. Microcredit ranges from Rs 15,000 to Rs 800,000 and is offered as either working capital or investment loans. Microfinance Ltd has a customer-oriented approach, which involves understanding the requirements of customers so as to provide tailor-made solutions. As at 30 June 2020, 2,229 clients have been financed and 3,440 loans amounting to Rs 667.6 million disbursed since inception. Microfinance activity and products account for 0.1% of the Group total financing products.

In the context of the lockdown in Mauritius, a new facility, the 'Relief loan' at a preferential annual interest rate of 7% (instead of 15% previously) has been offered to existing Microfinance clients facing cash-flow difficulties due to lockdown. As at 30 June 2020, we have disbursed 25 Relief loans amounting to Rs 2.6 million. We have also rescheduled repayment facilities by proposing a moratorium period to clients facing difficulties. 525 loans have been rescheduled as at 30 June 2020.

---

**40%** Female clients

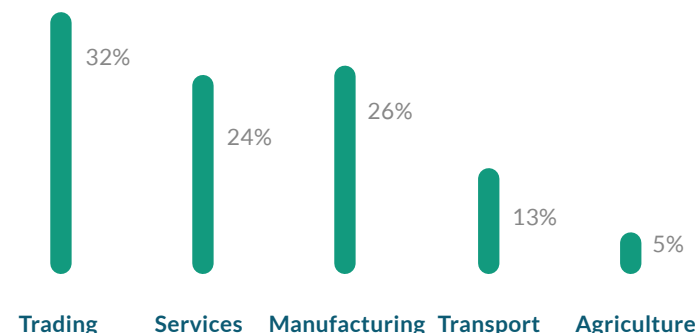
**78%** of businesses financed exist for more than four years

**55%** of investment loans and 45% of working capital loans

**Rs 207,000** average loan amount and 38 months average loan tenor

---

## MICROFINANCE - LOANS BY BUSINESS SECTOR



## Supporting the 'Made in Moris' Campaign

As already highlighted the COVID-19 pandemic has drawn the attention of Mauritians to the importance of strengthening the island's local economy. According to two studies conducted by the 'Made in Moris' (MIM) certification scheme during lockdown, 98% of Mauritians believe that local industry is essential to guaranteeing the island's food security and economic stability.

The MIM certification was created in 2014 thanks to a partnership between the Association of Mauritian Manufacturers and MCB. This initiative which is part of MCB's efforts to support the development of a vibrant and sustainable local economy, aims at supporting local businesses of all sizes (50% are SMEs) and from different industries (textile, food-processing, agriculture, culture & creation, manufacturing). Since its launch, the MIM initiative has grown from 11 certified companies to more than 95 certified companies, featuring over 300 brands and 2,500 products. Today, 92% of Mauritians believe that it is important to buy 'Made in Moris' certified products.

In 2020, MCB funded the new MIM campaign which was launched across the island in the midst of the sanitary crisis to promote the diversity and quality of local production as well as encourage solidarity during these challenging times. This year, the campaign focused on responsibility, one of the core values of the MIM certification, emphasising the vital role of local businesses in guaranteeing the island's food security and job supply, as well as on the responsibility of Mauritians to support local businesses through their consumption choices. Through social network posts, web series, radio spots, humorous mini-videos and banners in supermarkets, Mauritians were made aware of the reasons to believe in and support local production.

MCB hopes that this campaign will encourage Mauritians to increasingly act on this belief, and it remains fully committed and determined to pursue its efforts to support local production and consumption.

## Tax Responsibility

Tax compliance is a way of showing our corporate responsibility to the country. This contribution provides essential public revenues for government to support public spending and generate additional jobs and wealth in the local economy. Fiscal responsibility is all the more important in times of crisis such as those we are currently experiencing.

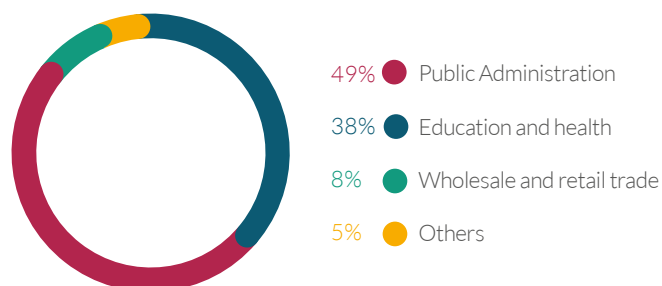
Tax paid by the Group banking entities	Rs million
MCB Ltd	1,230
MCB Madagascar	17
MCB Maldives	36
MCB Seychelles	126

MCB Ltd - Breakdown of tax charges*	Rs million
Income tax based on the adjusted profit	1,136
Deferred tax	(422)
Special levy on banks	563
Corporate Social Responsibility contribution	104
Under/Over provision in previous years	(14)
Effect of change in tax rate	(137)

\* Amount shown does not include Value Added Tax (VAT). The Bank remitted a total of Rs 108 million to the Mauritius Revenue Authority for the year ending 30 June 2020.

According to an assessment on LOCAL FOOTPRINT® model performed by the sustainability consulting firm Utopies, MCB's tax expenditure in Mauritius supported over 3,900 jobs on the island and generated an economic value (Gross Domestic Product) of Rs 1,8 billion for the Mauritian economy in 2020.

### DISTRIBUTION OF JOBS SUPPORTED BY MCB'S TAX EXPENDITURE IN 2020 IN THE MAURITIAN ECONOMY BY SECTOR:



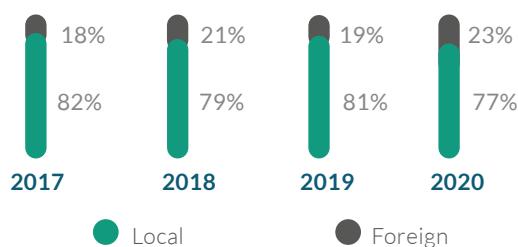
For every Rs 1 million taxes paid by MCB, 2.2 jobs are thus supported in Mauritius.

The importance of tax responsibility for the local economy is illustrated by the fact that for every job at MCB, 1.4 additional jobs are supported in the local economy by our tax contribution only in addition to other levers for job creation in our value chain – as detailed in Sustainability Report 2019.

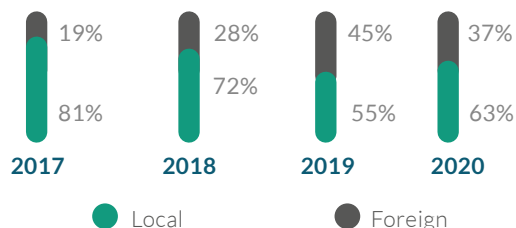
## Procurement Practices

As part of its procurement practices, MCB favours the sourcing of products and services from suppliers who have adopted good environmental and social practices in their operations. Local suppliers are preferred as far as possible. Although the ratio of foreign suppliers increased from 19% in 2019 to 23% in 2020 owing to the need for foreign expertise in some projects the local procurement spend ratio increased by 15% from 55% in 2019 to 63% in 2020.

### SUPPLIER RATIO (%) - BASED ON NUMBER OF SUPPLIERS



### PROCUREMENT SPEND RATIO (%)



### Financial Literacy and Digitalisation

The Group believes that helping people better understand financial concepts and improve their financial knowledge will contribute to building a more inclusive and sustainable economy. Providing clear and fair information to all customers will help them make better decisions so as to enhance their financial well-being. Promoting financial literacy among the population and employees in Mauritius as well as the countries where it operates, is one of the material topics for the Group. Knowing that the scope of financial literacy is vast, we focus on providing financial advice and simplified digital solutions to the population.

Digitalisation offers opportunities to individuals in terms of account monitoring, payments, and financing. There have been several initiatives during the year concerning cashless payments and digital solutions, in line with the Bank's Digital Transformation programme.

- Individual customers
  - Awareness campaigns that aim at promoting the different cashless payment solutions were broadcast on radio and social media. This included messages and videos on contactless payments and online purchasing with all MCB cards. Merchants were also encouraged to adopt cashless payments.
- Non-Individual customers
  - Launching of the SmartApprove application for corporate clients for faster approval of transactions via mobile, table or laptop. A press and digital campaign was initiated to promote online banking solutions while changing traditional banking behaviours.
  - Online loan application process for corporate customers.
  - SME business account – customers can open accounts online with only one visit to the branch.
  - JuicePro for SMEs – Launch of a mobile phone application that facilitates online banking transactions for entrepreneurs. This helps them manage their financial transactions efficiently, thus allowing them more time to focus on their business.



[Digitalisation - Read more in our Annual Report 2020](#)



**MICHAEL SHUMAN**  
ECONOMIST AND AUTHOR OF THE NEW BOOK,  
*PUT YOUR MONEY WHERE YOUR LIFE IS*

*"In the year and a half since 'Lokal Is Beautiful' was released, the world has been turned upside down by the COVID-19 pandemic - yet the lessons of the report are more relevant than ever. Greater self-reliance in Mauritius is the key not only to greater economic prosperity but also to resilience against a world filled with unknown and unknowable threats. Kudos to MCB for continuing the hard work of identifying SME businesses that can lead the drive for import replacement, and developing special loan facilities to assist them. The next challenge, as I highlighted in my talks in 2019, is to facilitate equity crowdfunding and other forms of grassroots investment in SMEs. Every resident of Mauritius should put as much of their savings as possible into the local businesses they love. Alongside the Fab-Island, the Circular Island, and the Smart Island, there should be the Self-Owned Island, which maximises opportunities for self-determination."*

### LOOKING AHEAD

In accordance with its strong commitment to promote local production and consumption, MCB will continue to support entrepreneurship and innovation in Mauritius through its diverse products and favour local purchasing. It will also sensitise its stakeholders on this subject and initiate necessary discussions and partnerships to strengthen the local economy. We will also continue to build awareness on financial literacy for our employees and customers.









# OUR ENVIRONMENTAL AND CULTURAL HERITAGE

UNGC Principles 1, 2, 7, 8, 9



The preservation of the environment is all the more important for an island like Mauritius. MCB Group recognises the importance of preserving this natural heritage, which not only supports people but also the ecosystem, biodiversity and habitat of many species. We are also aware of the potential impacts of climate change on the natural heritage, the country's economy as well as the living conditions of its population. Mauritius' rich cultural heritage comprises historic features, national monuments, museums and UNESCO sites.

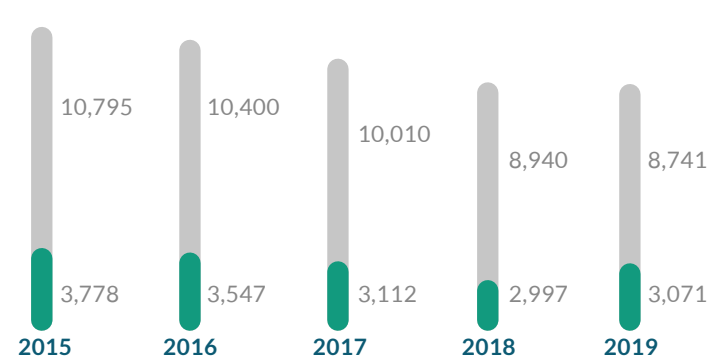
Although the direct environmental impacts of the Bank are relatively lower than those generated from its financing activities, there is continuous effort toward reducing the intensity of said impacts. We have identified four objectives and have set targets until 2023 to address our key direct impacts on the environment.

MCB's indirect environmental impacts stem from all projects and activities financed by the bank, which can be both positive and negative. There have been various initiatives to assess, influence and manage those environmental impacts. These include compliance with Equator Principles, collaboration with the Agence Française de Développement (AFD) on the green loan with a focus on climate change mitigation and adaptation projects, our commitment to move towards carbon neutrality in Mauritius as well as encouraging local production and the consumption of local goods and services.

## Energy Consumption

The Bank sources the electricity necessary to run its operation from the national grid, mostly generated from non-renewable sources (fuel oil and coal). The remaining 21.7%\* is derived from renewable sources namely bagasse and a minor share from solar and hydro. Energy consumption is measured and monitored for all of the Bank's buildings whether owned or leased so as to facilitate energy reduction opportunities and installation of energy-efficient equipment. MCB has an in-house fleet of vehicles operating on fossil fuels and four hybrid cars. MCB's solar farm located at its main office at St Jean has a capacity of 472 kWp. It generated 649 MWh of electricity in 2019 representing about 5.5% of total electricity consumption by MCB. The energy use (electricity and transport) in absolute terms shows a decreasing trend, which is the outcome of significant measures implemented over the years. Energy consumption decreased from 13,154 MWh in 2018 to 13,087 MWh in 2019, representing a drop of some 0.5%. Similarly, energy intensity decreased from 4.62 in 2018 to 4.27 MWh/FTE in 2019 representing a reduction of 8%. In addition, 26% of total electricity consumed by MCB was supplied from renewable energy sources (grid and MCB solar farm).

### TOTAL ELECTRICITY CONSUMPTION BY SOURCE (MWh)



- Electricity use from renewable sources
- Electricity use from non-renewable sources

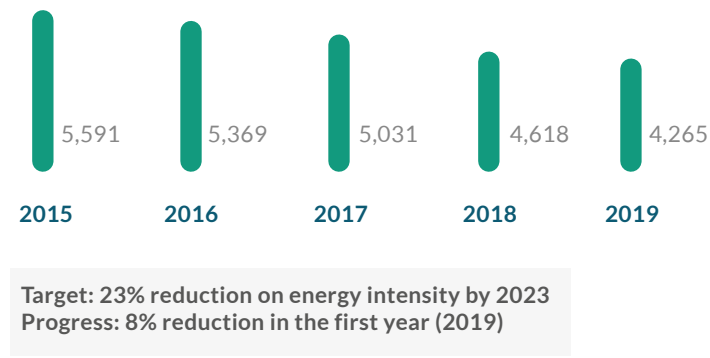
\* Energy and Water Statistics 2019, Statistics Mauritius

## MCB LTD. - TARGETS FOR DIRECT ENVIRONMENTAL IMPACTS



[Data shown for each objective including waste management cover the calendar years (January to December) and relate to MCB Ltd only. The base year period for monitoring of the objectives is January-December 2018 except for paper consumption.]

### ENERGY INTENSITY (kWh PER FTE)



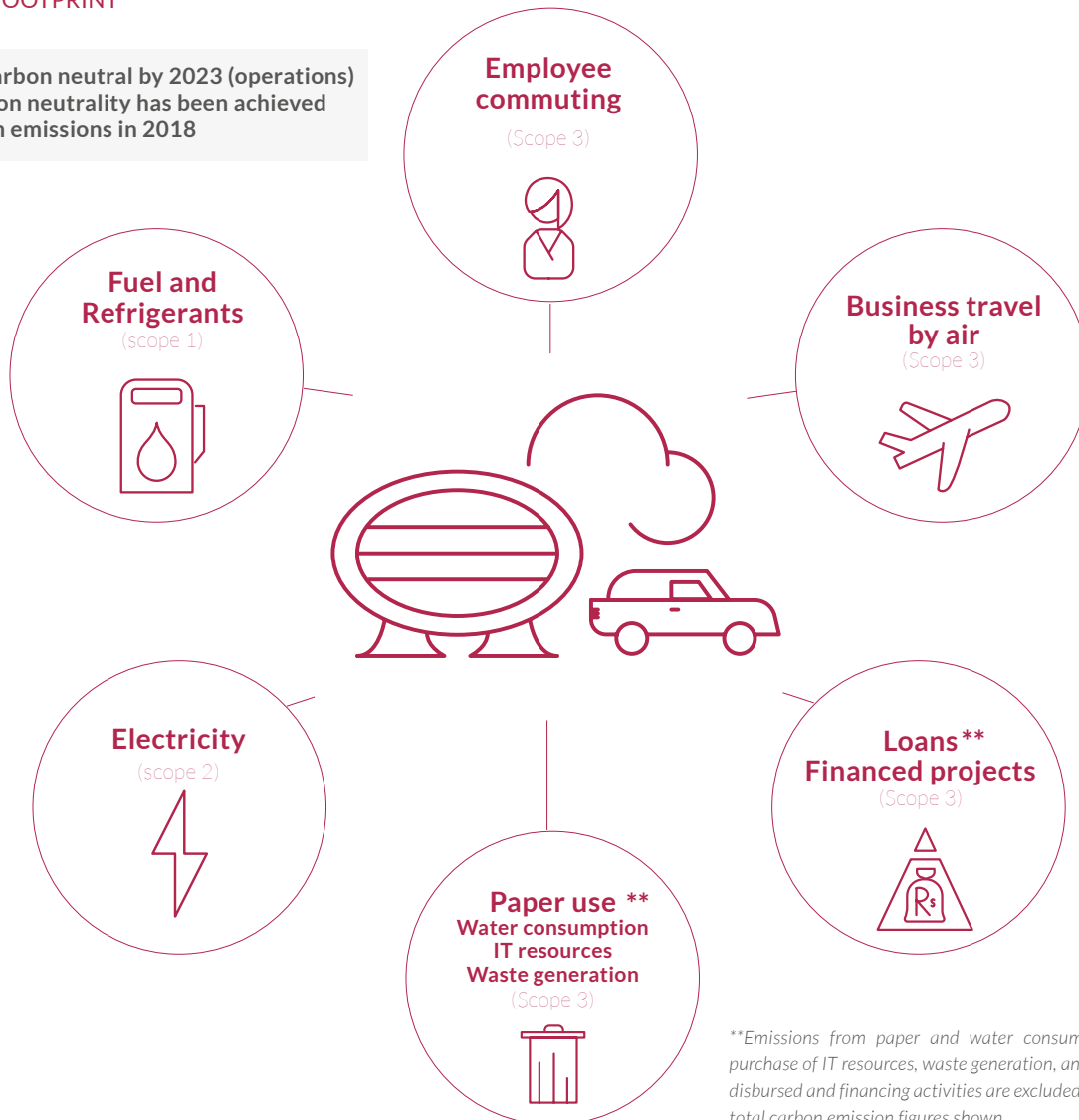
## Carbon Footprint

The direct GHG emissions of the Bank are continuously being measured and monitored since 2010. Measures taken recently for reducing direct carbon emissions focused mainly on efficient energy consumption in buildings, the purchase of hybrid cars, provision of a common transport system for employees who commute as well as a reduction in business travel by air as far as practicable.

In 2019 our total carbon footprint\* was 17,345 tonnes CO<sub>2</sub>-eq, showing a decrease of 6% from 18,412 tonnes CO<sub>2</sub>-eq in 2018 in absolute terms. The carbon emissions intensity decreased significantly by 13% during the same period.

### MCB CARBON FOOTPRINT

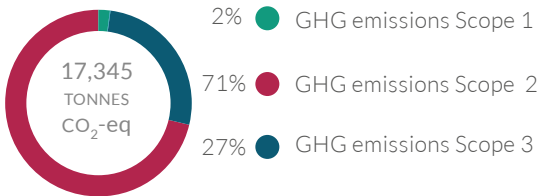
**Target: To be carbon neutral by 2023 (operations)**  
**Progress: Carbon neutrality has been achieved for total carbon emissions in 2018**



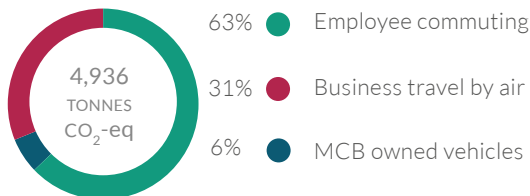
\*[MCB Carbon emissions was calculated according to the Greenhouse Gas Protocol, developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) that set the global standard on how to measure, manage, and report greenhouse gas emissions.]

OUR ENVIRONMENTAL AND CULTURAL HERITAGE (CONTINUED)

CARBON FOOTPRINT IN 2019  
(TONNES CO<sub>2</sub>-eq)



GHG EMISSIONS FROM TRANSPORT IN 2019  
(TONNES CO<sub>2</sub>-eq)



GHG EMISSIONS INTENSITY  
(TONNES CO<sub>2</sub>-eq PER FTE)



GHG EMISSIONS INTENSITY FROM TRANSPORT  
(TONNES CO<sub>2</sub>-eq PER FTE)



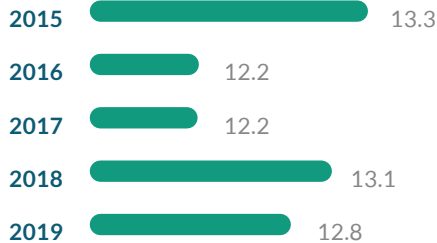
In line with its objective of achieving carbon neutrality by 2023 in its operations, the Bank has been concentrating first on reducing its carbon emissions and then offsetting the residual emissions by investing in projects that have environmental and social benefits. MCB has compensated its residual carbon emissions on a retroactive basis at the beginning of 2020 through 'Klima Neutral', the carbon compensation online platform set up in partnership with BNP Paribas' social enterprise ClimateSeed. Our 18,412 tonnes CO<sub>2</sub>-eq produced during 2018 have been fully offset in afforestation and cookstoves projects in Kenya, Mozambique and Uganda. As such, the Bank has achieved carbon neutrality in its operations for year 2018 and is committed to compensate for its emissions every year on a retroactive basis.

 **Water Consumption**

Water is undeniably a valuable resource in a water-stressed country like Mauritius, which is increasingly experiencing water shortage. The Bank sources potable water through the Central Water Authority. Ongoing monitoring of our water consumption allows us to track and identify potential water saving opportunities. We have implemented many actions over the past years namely the replacement of normal taps with automatic sensor taps in our two main buildings. The normalised water consumption in 2019 decreased by 2% to 12.8 m<sup>3</sup> per FTE in 2018.

**Target: 25% reduction on water consumption intensity by 2023**  
**Progress: 2% reduction in the first year (2019)**

WATER CONSUMPTION INTENSITY  
(m<sup>3</sup> PER FTE)



## Paper consumption

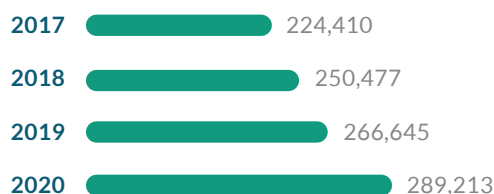
Paper usage was 259.4 tonnes in 2019. An intensive paper audit conducted in 2019 showed detailed data on paper use by the Bank. As a result, 2019 will be taken as the base year for future measurement and monitoring. The target to reduce paper use to below 100 tonnes by 2023 is maintained. It was observed that our direct operations required about 71% of total paper usage; the rest consisted of paper handed over to clients in various forms. Our paper consumption intensity was 84.5 kg per FTE in 2019.

The Group is encouraging its customers to subscribe to e-statements and its shareholders to adopt the electronic version of the annual report. There has been some recent temporary measures taken during the COVID-19 pandemic under The Companies Act 2001 regarding the distribution of hard copies of annual reports to shareholders. It is therefore not compulsory for companies holding their annual general meeting before 31 December 2020 to distribute printed annual reports, but they are required to provide either a hard copy or an electronic version of the report. MCB Group will thus print a limited number of hard reports this year.

**Target: Below 100 tonnes of paper use by 2023**  
**Progress: The base year for benchmarking was restated (2019)**

Total paper consumption in 2019 (tonnes)	259.4
<b>Paper for internal use (direct operations) (%)</b>	<b>71%</b>
<ul style="list-style-type: none"> <li>Percentage of FSC certified paper</li> <li>Percentage of paper with recycled content</li> </ul>	65% 3.5%
<b>Paper for clients' use (%)</b>	<b>29%</b>
<ul style="list-style-type: none"> <li>Percentage of paper with recycled content</li> </ul>	18%

### MCB LTD - E-STATEMENT SUBSCRIPTION FOR ACTIVE CUSTOMER ACCOUNTS





## Waste Management

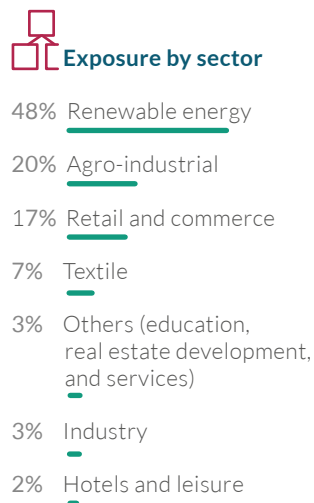
The Bank has set up a waste segregation and management system in its buildings. It is also encouraging its employees to recycle their personal waste, namely printers' ink toners, plastic bottles, alkaline batteries, and waste paper. All the waste generated by the Bank's operations is sent to registered waste recycling facilities in Mauritius. Waste electrical and electronic equipment is generally dismantled at the waste facility to separate recyclable parts while hazardous components are exported.

Waste type	Unit	Quantity generated in 2019
Paper	Tonnes	136.1
Plastic	Tonnes	0.34
Printer ink toner	Unit	979
Alkaline batteries	Tonnes	0.21
Coffee capsules	Unit	7,779



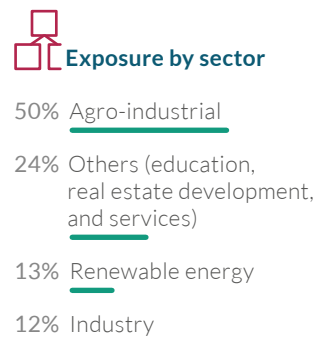
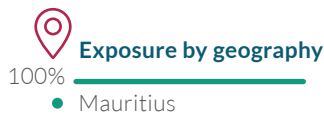
## Financing Green Projects

AFD 2<sup>nd</sup> credit line of EUR 45.7 million (closed)



AFD 3<sup>rd</sup> credit line of EUR 45 million (ongoing)

Loan amount disbursed for the year ending 30 June 2020 - EUR 2,618,787



MCB Ltd is a partner bank for financing development projects under the SUNREF (Sustainable Use of Natural Resources and Energy Finance) initiative, developed by Agence Française de Développement (AFD). AFD has been actively involved in Mauritius since 2009 to promote its green finance label SUNREF and develop a green finance market. The objective of SUNREF Mauritius is to provide green credit facilities to finance projects and technical assistance relating to clean energy and climate change mitigation and adaptation. In September 2018, a third green line of credit of EUR 45 million out of a national line of EUR 60 million was granted by AFD. This third credit line has included criteria for promoting gender equality as one of its conditions.

The projects that have been financed under the second line of credit have had numerous environmental benefits such as water and energy savings, lower effluent generation, and a reduction in use of heavy fuel oil. More information on the benefits is available in our Sustainability Report 2019.

As COVID-19 pandemic has impacted clients' financial position, their propensity to take new loan facilities, including green loans was lower than the previous years.

## Our Commitment to the New Climate Economy – Klima

Climate change is one of the biggest challenges of our century with scientific evidence that shows the vulnerability of human and natural systems to a global warming that exceeds 2°C. Scientists estimate that an increase of 1.5°C will still have huge implications but would be manageable. Conversely, a rise in temperature above 2°C would cause severe impacts. In this struggle to getting to the 1.5-degree pathway, actors of the finance and banking sectors will have a crucial role to play in financing the transition from a carbon-intensive present to a climate-friendly future. As part of its 'Success Beyond Numbers' strategy, MCB Group intends to play its part by adapting its operating and financing practices, but more broadly by educating and mobilising all the economic, social and political actors of Mauritius. The Group has therefore commissioned a study 'Klima Neutral 2050' to address the challenge relating to climate change. Promoting carbon neutrality is a way to help Mauritius look ahead to a future that is secure and sustainable.



The objectives of the 'Klima Neutral 2050' study were:

- Raising awareness on perspectives for a carbon-neutral Mauritius and achieving neutrality through collective actions by all economic actors.
- Proposing objectives, targets and specific levers for all sectors of the local economy, and seeing this as a source of opportunities.
- Sensitising the business community on the importance of climate risk in financing and business decision making.




The 'Klima Neutral 2050' study was published and presented at a conference on 5<sup>th</sup> February 2020. The conference, which was the very first event of its kind organised by a private company on climate in Mauritius, was attended by a large audience of around 350 people, comprising economic actors, entrepreneurs, academics and local and international NGOs, along with political figures including the Minister of Environment, Solid Waste Management and Climate Change Kavydass Ramano. One of the takeaways of the conference was namely the fact that dealing with climate crisis was also an opportunity to create circular, distributed and increased local economic models, and that this goes through, accelerating the transition from non-renewable to renewable energies and therefore to a sustainable economy. The 'Klima Neutral' study is accessible on [klima.mu](http://klima.mu).

From this perspective, climate neutrality in Mauritius requires the tackling of three major challenges:

- Reducing the energy intensity of the economy by creating a circular economy, relying on energy sobriety, but also reducing international transport.
- Decarbonise energy by significantly reducing the share of coal and fuel oil in the energy mix and by increasing renewable energy sources which have a high potential on the island.
- Building up carbon sinks in huge scale including natural sinks, which also contributes to supporting certain existing markets (tourism) and emergence of new markets (agricultural or energy).



The 'Klima' conference held in February 2020 and the 'Klima Neutral 2050' study explored how economic, social and political stakeholders could help Mauritius reach carbon neutrality

<b>'Klima Conference'</b> ± 350 Center Attendees	
<p style="text-align: center;"><b>Social Media</b></p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p><b>Facebook Live</b></p> <p><b>38k</b> views  <b>108k</b> people reached  <b>491</b> comments and shares  <b>549</b> clicks on klima.mu</p> </div> <div style="text-align: center;">  <p><b>Youtube *</b></p> <p><b>457</b> views – replay of conference  <b>494</b> views – 'La crise climatique'</p> </div> </div> <div style="margin-top: 20px;">  <p><b>'Klima Neutral 2050' study *</b></p> <p><b>751</b> downloads                      (complete report and executive summary)</p> </div> <p style="font-size: small; margin-top: 20px;">* Period - February to August 2020</p>	<p style="text-align: center;"><b>Earned Media</b></p> <p style="text-align: center;"><b>Rs 730,796</b> Print  <b>Rs 1,380,000</b> Radio/TV</p>

### Creating our Pathway to a +1.5°C Climate Strategy

Our commitment to develop a climate strategy was reinforced by the 'Klima Neutral 2050' study which emphasises our mission to influence this transition towards climate neutrality. Our strategy is based on two main lines of action:

1. Making Mauritius a laboratory for the new climate economy
2. Be a responsible financial player

#### MAKING MAURITIUS A LABORATORY FOR THE NEW CLIMATE ECONOMY: CHANNELLING FINANCIAL FLOWS TOWARDS THE ECOLOGICAL TRANSITION

Because the profound change in production and consumption modes in Mauritius requires significant financial resources, MCB Group will collaborate with its clients to help them achieve their own transition projects and foster innovation. Many initiatives were announced at the start of 2020 to encourage our clients to shift towards a low-carbon future:

- A green credit scheme amounting to Rs 1 billion per year over three years (2020-2022) for financing low-carbon transition projects for all economic sectors.
- The introduction of environmental and social conditions when allocating credit to its clients, in order to encourage corporate clients in Mauritius to improve their sustainability performance.
- Special and attractive credit conditions to individuals for the purchase of low carbon services or equipment (for example electric vehicles, solar panels, etc.).

Due to the unforeseen COVID-19 pandemic, which has severely affected the Mauritian economy and has changed priorities, the implementation of these initiatives are behind schedule. However, MCB Group remains committed to fostering the climate transition while also helping the economy to recover from this crisis.



### TACKLING CLIMATE CHANGE WHILE RECOVERING FROM THE COVID-19 CRISIS.

The COVID-19 pandemic and its economic aftermath has cast a new light on the vulnerability of our economic system. While MCB Group acknowledges that a stimulus package is crucial to boost economic recovery, it also advocates for a new vision of the Mauritian economy, in order to make it more resilient, local, more circular and more climate-friendly. In line with the 'Lokal is Beautiful' and 'Klima Neutral 2050' reports, we have commissioned a study to provide us with a deeper understanding of Mauritius' productive fabric, identify opportunities for diversification and establish an operational strategy to spearhead the emergence of a more locally-anchored, diverse and prosperous economy on the island. This report will identify the most promising products and sectors to jumpstart the island's resilient revolution based on existing local know-how and demand while simultaneously boosting climate-positive sectors and practices. Refer to 'Resilient Production' for more information.

### BEING A RESPONSIBLE FINANCIAL PLAYER: GOING CARBON NEUTRAL

MCB has set an objective to achieve overall carbon neutrality in the banking operations by 2023, through a mix of mitigation and offsetting actions:

- Providing training to all employees on topics relating to reduction of carbon footprint of the Bank's operations including paper consumption, energy use and eco-friendly behaviour.
- Reassessing the necessity for all business trips by air to reduce our carbon impact.
- Favouring the purchase of hybrid or electric vehicles when renewing the fleet of company vehicles.
- Equipping our bank branches (where technically feasible) with photovoltaic panels for carbon-free electricity generation. This will be in line with the schemes provided by the Central Electricity Board.
- Retroactively offsetting our unavoidable greenhouse gas emissions (scope 1, scope 2 and business air travel).

The Group has setup an online carbon compensation platform ([www.klima-neutral.com](http://www.klima-neutral.com)), allowing its corporate clients to estimate and compensate for their greenhouse gases emissions through funding of energy transition projects and carbon sinks in the Indian Ocean region and worldwide. 'Klima Neutral' is a platform set up in partnership with BNP Paribas' social enterprise ClimateSeed. The 18,412 tonnes CO<sub>2</sub>-eq produced during 2018 by the Bank have been fully offset in afforestation and cookstoves projects in Kenya, Mozambique and Uganda. MCB has also successfully offset the CO<sub>2</sub>-eq emissions generated by the speakers who travelled by air for the 'Klima' conference.

In an endeavour to develop our knowledge of carbon finance but also to compensate part of its indirect CO<sub>2</sub> emissions derived from projects that it finances, MCB has committed to invest € 5 million over the period 2021-2040 in the Livelihoods Carbon Fund 3, an impact investment fund created by Livelihoods Funds with leading companies worldwide joining forces to accelerate efforts on climate change mitigation and social impact. MCB has committed to compensate around 800,000 tonnes CO<sub>2</sub>-eq by supporting low carbon community projects. Part of the earned carbon credits will be used for its own compensation and resulting surplus credits will be sold to corporate clients.

### MCB ENERGY AND COMMODITIES FINANCING PORTFOLIO

MCB's Energy and Commodities activities in Africa have in the recent decades contributed to wealth creation and distribution in these countries by helping them to exploit sustainably the natural resources they are endowed with. Providing access to energy to the African countries has undeniably positive social and economic impacts. During 2019-2020, MCB has financed cross-border metallurgical and non-thermal coal trading, and its portfolio includes coal/bagasse power plants historically financed in Mauritius. As a responsible bank, MCB is committed to stop all new financing for coal infrastructure and trade, whether thermal or metallurgical, worldwide from 2022. The decreasing trend on coal trading reinforces our commitment. In Mauritius, we will also stop financing new coal-fired power plants and will engage with Mauritian clients to find environmentally friendly alternatives for energy production.

In USD million	June 2017	June 2018	June 2019	June 2020
<b>Oil and Gas</b>	<b>839</b>	<b>1,451</b>	<b>1,913</b>	<b>2,023</b>
Trade finance	690	1,128	1,303	1,402
Exploration and production	65	99	213	290
Project finance	0	26	22	19
Prepayments	84	198	375	312
<b>Coal</b>	<b>52</b>	<b>121</b>	<b>100</b>	<b>30</b>
Trade finance	52	121	100	30
<b>Total</b>	<b>891</b>	<b>1,572</b>	<b>2,013</b>	<b>2,053</b>
<b>% of total assets of MCB Ltd</b>	<b>9%</b>	<b>15%</b>	<b>16%</b>	<b>17%</b>

## OUR ENVIRONMENTAL AND CULTURAL HERITAGE (CONTINUED)

### AT A GLANCE - SHIFTING TOWARDS THE NEW CLIMATE ECONOMY IN MAURITIUS

#### Financing transition solutions

**+1 BILLION/YEAR FROM 2020**



- Green credit scheme of Rs 1 billion per year over 2020-2022.
- Adapting our credit allocation conditions to our clients' environmental and social performance.
- Attractive credit offers for purchasing low carbon equipment.

#### Moving away from coal

**+0/YEAR FROM 2022**



- Stop all new financing worldwide for coal infrastructure and trade, whether thermal or metallurgical.
- Stop financing of new coal-fired power plants in Mauritius and engaging with our clients on environment-friendly solutions.

### TACKLING CLIMATE RISK AND EXPOSURE: A LOOK AT OUR PORTFOLIO

As a responsible Bank, MCB is conscious that its significant environmental and social impacts lie in its financing activities. In 2019, MCB Ltd conducted an assessment of the greenhouse gas emissions associated with six of its loans types (student loans, infrastructure and construction works, vehicles loans, capital investment, consumer credit and home loan) representing 21% of its lending activity for the period January-December 2018. The loans were associated to the carbon emissions of 375 ktonnes CO<sub>2</sub>-eq. LOCAL FOOTPRINT NATURE® model was used in that assessment. Detailed information on this analysis is available in our Sustainability Report 2019.

This first analysis has stressed the necessity for MCB to understand better its exposure to climate risks and carbon-intensive investment. In 2020, the Group initiated a benchmark analysis of the state-of-the-art climate risk assessment methodologies, including exposure to both physical and transition risks. This study explored the trends in portfolio management with regards to climate risks, and assessed the transparency, relevance and feasibility (in terms of data availability, complexity, models to develop etc.) of methods such as carbon intensity evaluation of a portfolio, measure of 2°C-alignment of a portfolio, physical risk scoring, value at risk and expected loss evaluation. This exercise will help MCB to select and adopt the appropriate methodology and principles to address and monitor climate risks of its portfolio.

### Partnering for Biodiversity Preservation

MCB Group has always supported actions for environmental protection wherever it operates. In Mauritius, in addition to its usual support for the cause, MCB has contributed significantly to two major environmental projects, through a collaboration with the Mauritian Wildlife Foundation (MWF) and Ebony Forest. These projects are in line with its climate engagement.

#### MAURITIAN WILDLIFE FOUNDATION

MCB signed a partnership with the MWF to fund five of its programmes for a total amount of Rs 15 million over three years until 2021. These programmes aim at protecting four endemic species that are currently under the threat of extinction, mainly the Echo Parakeet, the Pink Pigeon, the Günther's Gecko and the Round Island Boa. MCB also contributes to the protection of the fragile biodiversity of Mauritius' islets: île de la Passe, l'île aux Fouquets and îlot Gabriel, through inclusive participation with the MWF. The rationale for this collaboration is to raise awareness in the population on the importance of conserving our biodiversity. We have renewed our second year partnership for an additional of Rs 5 million.

Our partnership with the MWF includes the participation of our customers as well through an initiative 'Cards for Change'. As from 11<sup>th</sup> May 2019 MCB has paid Rs 10 cents for every transaction clients make using their MCB debit cards. That amount has reached around Rs 3 million as at 30 June 2020.

#### MV Wakashio oil spill in the southeast lagoon of Mauritius August 2020

This oil spill has negatively affected marine life in the southeast region of Mauritius where the MWF manages île aux Aigrettes nature reserve. 21 employees have promptly volunteered to help the MWF on 11 August to remove plants from île aux Aigrettes nature reserve and relocate them on the mainland where they can safely grow. MCB has donated the Rs 3 million from the 'Cards for Change' initiative to the MWF to help protect its flora and fauna. It has announced 5,000 man-days (social leave programme) to be used for clean-up and conservation-related initiatives by MCB employees. A calendar comprising of activities and volunteers is currently being established for planning the 5,000 days social leave.

## OUR ENVIRONMENTAL AND CULTURAL HERITAGE (CONTINUED)

### EBONY FOREST

MCB has been a key partner of Ebony Forest since 2007. Ebony Forest covers 50 hectares of land at Chamarel in the southwest of Mauritius. In line with our social leave programme and through team building activities, 500 of our employees participated in weeding and planting in the forest area during the year. MCB had previously sponsored one hectare of Ebony Forest that included reforestation. MCB's financial contribution during the year was Rs 2.2 million including the one hectare sponsored and the provision of 700 educational packs to students who visited the Forest. 168 plants in 13 different species and 598 plants from 21 species have been proudly planted in 2019 and 2020 respectively on that one hectare of land. MCB is planning to sponsor one more hectare in 2020. This will contribute to developing additional carbon sinks, which is in line with our climate commitment.



Weeding and planting is no small task at the Ebony Forest conservation park. Through our Social Leave programme, our staff has also been giving a helping hand.



The Mauritian Wildlife Foundation is working hard for the conservation of endangered flora and fauna. We are supporting their efforts to protect four emblematic species, amongst which the Pink Pigeon.

## Culture

Culture being one of the pillars of the Group's Corporate Sustainability Programme is also an important feature in Mauritius. Culture through its various forms such as festivals, Mauritian cuisine, and music, favour social integration and the collective participation of the population. The Group has therefore identified the need to create cultural and artistic avenues for the development of both individual and collective identity. Cultural activities have been categorised into different segments - music, sports, education, and history. There were several successful events organised and sponsored during the year, which have contributed to the economy of the country by providing direct and indirect job opportunities. A few scheduled events were however put on hold and could not be organised due to the occurrence of COVID-19 pandemic.

Music	
<b>VIBE Moris®</b>	<p>Created in 2018, VIBE Moris® is a TV Talent show, entirely designed and produced by MCB. Season 3, due to air in June 2020 is currently on hold due to the COVID-19 pandemic. Broadcast by national TV at prime time as well as via social networks, it provides young Mauritian talents with a platform for artistic expression on a national scale. MCB has contributed around Rs 47 million in this event.</p> <p>VIBE Moris® has given the opportunity to local talents to receive coaching from music professionals, and created employment for around 100 people during the show. Virginie Gaspard, who took part in the first edition of VIBE Moris was a contestant on the 8th edition of The Voice France in 2019.</p>
Education	
<b>Science Quest</b>	<p>The Science Quest is a national project-based science competition, which is organized by the Rajiv Gandhi Science Centre inspires students to use scientific methods to devise solutions for problems in their daily activities. MCB has contributed Rs 750,000 to the sixth edition held in 2019, by sponsoring the prizes and the award ceremony.</p>
<b>SEM Young Investors Awards</b>	<p>This annual competition is organised by the Stock Exchange of Mauritius to instil the culture of investing in young. MCB has sponsored some prizes and the award ceremony amounting to Rs 600,000.</p>
<b>Other events</b>	<p>Eco-Warriors and the National Spelling Bee Competition</p>

Sports	
<b>Team MCB Boys and Girls</b>	<p>As a full-fledged partner to the Mauritius Cycling Federation since 2017, MCB aims to support the talent of the national sports team by instilling values such as motivation and self-improvement. In 2020, MCB went one step further by supporting the first women's national cycling team MCB Girls. The team was launched on 8 March 2020 to coincide with the celebration of the International Women's Day. A financial contribution of Rs 5 million and Rs 1.5 million was allocated to Team Boys and Team Girls respectively during 2019-2020.</p>
<b>Rando Trail et Nature (RTN)</b>	<p>MCB is a partner of Rando Trail et Nature, the association responsible for organising the local league of trails annually in Mauritius. A total of Rs 950,000 was allocated in 2020 for the year's events and projects. MCB has created 'Leker dan Zefor' initiative in addition to the partnership with RTN, which contributes Rs 5 for each kilometre ran by a participant. The money collected is used to finance projects relating to nature conservation and sports activities at national level. MCB has contributed financially to help the first Mauritian trail team participate in the World Trail Championship in Portugal in 2019.</p>
History	
<b>Rodrigues au Fil du Temps</b>	<p>This event which is part of the 'Rises nou kiltir' initiative by MCB was organised at the Blue Penny Museum in February 2020, to display the collection of pictures of Rodrigues Island taken some 50 years ago by a French Engineer, Mr Dupon. A similar exhibition was held on 9 October 2020 in Rodrigues Island at L'Alliance Française in Port Mathurin. Around Rs 750,000 was allocated to this project.</p>

## LOOKING AHEAD

- Engaging all employees is crucial to the successful implementation of our Corporate Sustainability Programme. We will organise awareness sessions on key topics to change and improve behaviour and consumption pattern. The topics include electricity use in building, paper use, waste reduction and segregation, etc.
- We are currently devising a detailed action plan with annual targets in order to achieve 2023 targets relating to energy consumption, water use, paper reduction and to carbon neutrality.
- Work is ongoing on our climate strategy to support the country's transition to a low-carbon economy.
- We will continue to support the organisations involved in our biodiversity preservation.
- The promotion of cultural events in Mauritius will remain on our agenda for collective well-being.

## OUR ENVIRONMENTAL AND CULTURAL HERITAGE (CONTINUED)



**FRANÇOIS GEMENNE**  
PROFESSOR OF ENVIRONMENTAL GEOPOLITICS

*“ Indicators on climate change have deteriorated considerably. When it comes to action on climate change, this decade has been a lost one. However, in my view, there seems to have been a shift in public opinion that has been occurring over the past year or two. People are increasingly realising that climate change is not just an environmental problem, but that it affects all aspects of the economy and society. This is a very important change, and it brings great hope.*

*Many companies, and shareholders, remain exclusively preoccupied with the short term, and this prevents them from investing in the future. The companies that will be tomorrow’s winners and market leaders, are those that are today’s game changers, that have already started to transform their practices and processes, and that have already anticipated the future. ”*

(Citation taken from press media kit from the Klima conference in February 2020)

**VIKASH TATAYAH**  
CONSERVATION DIRECTOR - MAURITIAN WILDLIFE FOUNDATION

*“ With the key support of MCB, the Mauritian Wildlife Foundation has been able to maintain and consolidate its hands-on conservation programmes. Over the past year, we have had many achievements: the reintroduction of three male Pink Pigeons from Jersey Zoo (UK), the down-listing of the Echo Parakeet from ‘Endangered’ to ‘Vulnerable’ on the Union for Conservation of Nature Red List, the maintenance of Günther’s Gecko and Round Island Boa populations and the exposure of more than 10,582 visitors to Ile aux Aigrettes on the importance of islets restoration to help save these species from extinction.*

*This first year of partnership has been very fruitful but most of all we look ahead to upcoming years. The pressures on our biodiversity are increasing. Historically these include habitat destruction and habitat degradation through invasive alien plants and animals. We also have anthropogenic pressures such as climate change and development pressure, which are both exacerbating the extant pressures facing our biodiversity. Added to this are the ‘novel’ issues that include environmental pollution, such as persistent organic pollutants, plastics - and oil spills, as recently evidenced by the Wakashio tragedy. ”*



## OUR ENVIRONMENTAL AND CULTURAL HERITAGE (CONTINUED)



*In our endeavour to promote the well-being of one and all, we support each year a number of projects involving our youths, and also empower our staff to be agents of change*



OUR ENVIRONMENTAL AND CULTURAL HERITAGE (CONTINUED)



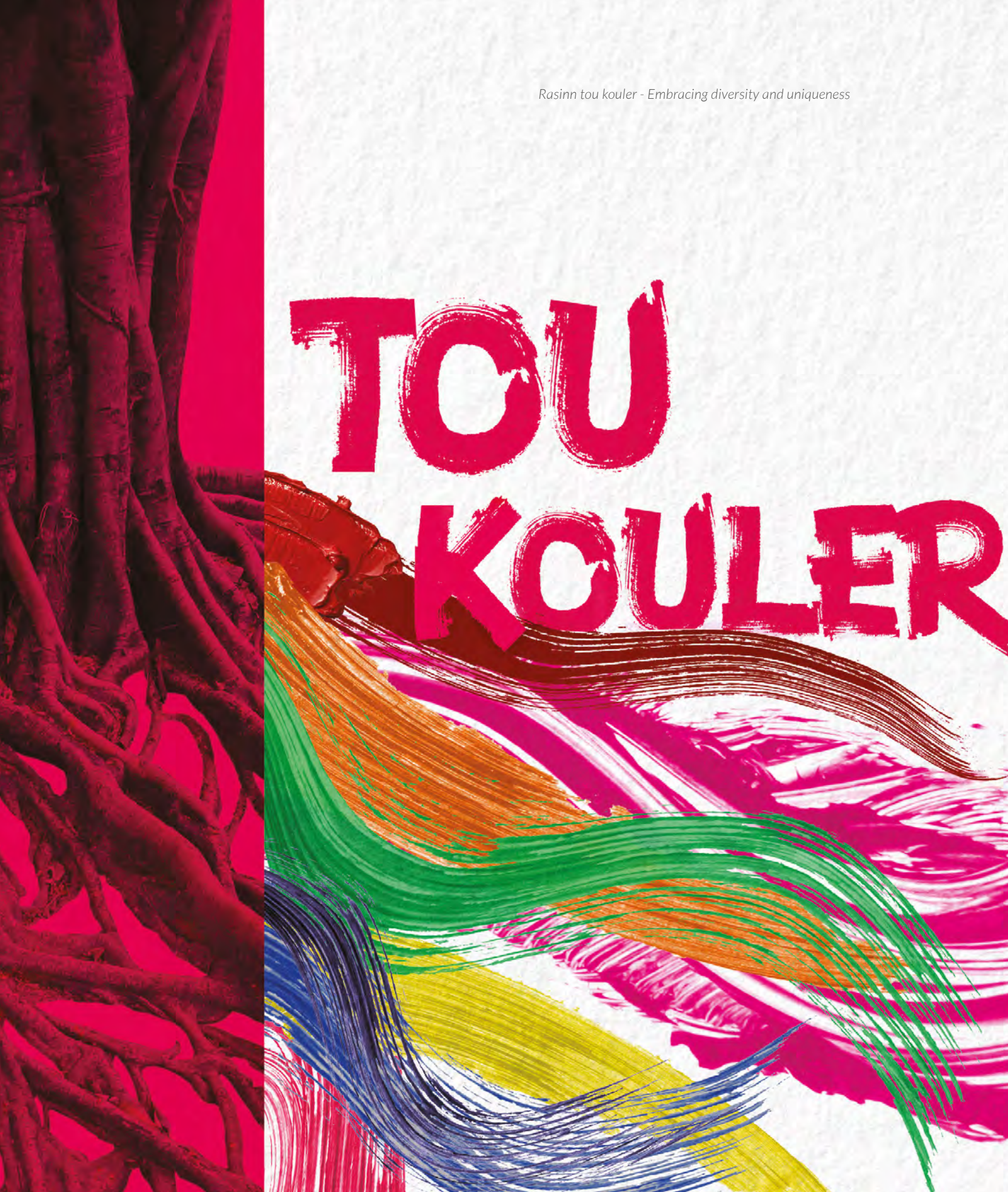
RASININ





*Rasinn tou kouler - Embracing diversity and uniqueness*

# TOU KOULER





# INDIVIDUAL AND COLLECTIVE WELL-BEING

UNGC Principles 1, 2, 3, 4, 5



The Group's success is attributed, *inter alia*, to teamwork and integrity as well as the experience and skills of its people. It has always focused on meeting the expectations of its people and its customers, in addition to helping the community at large. MCB Group is consistently engaged in its Corporate Sustainability Programme in the following areas:

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

## Human Capital Management

The main focus of the Human Resources (HR) Strategic Business Unit (SBU) of the Group is to uphold its talent management and employee experience to promote it as an Employer of Choice. The HR team strives in strengthening the organisation's leadership, talent and capabilities to help its business lines and support functions deliver

on their respective promises to the relevant stakeholders. HR has a dedicated and committed team to identify and act in response to the challenges the Group faces with regards to its human capital management whilst initiating proactive actions in anticipation of future challenges.

Challenge	Response
<p><b>Talent management</b> Attracting and retaining talents in a context of heightened competition</p>	<ul style="list-style-type: none"> <li>• Increased visibility on social media.</li> <li>• Strengthening of the Strategic Talent Acquisition function to identify and attract potential talents.</li> <li>• Regular assessment and benchmarking of remuneration package.</li> <li>• Development of a Talent Management Programme.</li> </ul>
<p>Shortage of skills locally and the need to source talents from abroad</p>	<ul style="list-style-type: none"> <li>• Broadening of the network of talent acquisition partners locally and in the region for sourcing of potential candidates.</li> <li>• Building a talent pipeline both internally and externally.</li> </ul>
<p>Employee mobility across the Group</p>	<ul style="list-style-type: none"> <li>• Development of a mobility programme to facilitate business development/continuity and capability development, while maximising employee experience.</li> </ul>
<p>Availability and readiness of talents for succession in critical positions.</p>	<ul style="list-style-type: none"> <li>• Implementation of a succession planning initiative.</li> </ul>
<p>Predicting future talents requirements in this era of client sophistication and rapid technological change.</p>	<ul style="list-style-type: none"> <li>• Setting-up of a strategic workforce planning function and strengthening of the Human Resources' information system and data analytics capabilities through Oracle Fusion and HR-IT squad.</li> </ul>
<p><b>Employee engagement</b> To uphold engagement level in a multi-generational workforce.</p>	<ul style="list-style-type: none"> <li>• Assessment and improvement of managerial practices through a culture audit.</li> <li>• Conducting a mini Trust Index audit to gauge employee engagement and benchmark MCB against the criteria of Great Place to Work.</li> <li>• Initiatives around key employee experience expectations to consolidate the employees' trust.</li> <li>• Enhancing the performance management system.</li> </ul>
<p><b>Operational efficiency</b> Increasing operational efficiency in a context of growing work volume.</p>	<ul style="list-style-type: none"> <li>• Implementation of a self-service and mobile-enabled Oracle Fusion system to enhance employee experience and operational efficiency.</li> </ul>

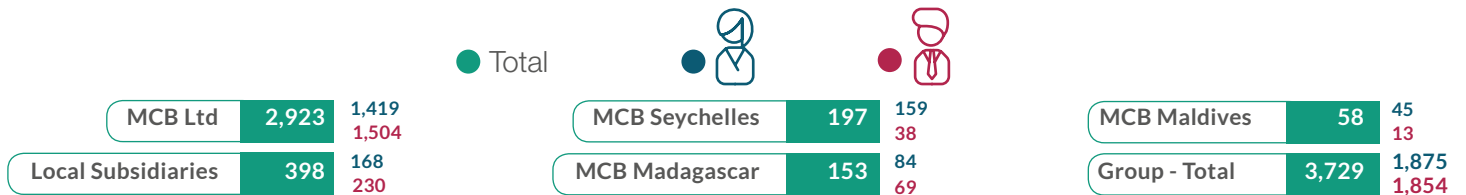
## INDIVIDUAL AND COLLECTIVE WELL-BEING (CONTINUED)

MCB has been continuously working on various initiatives and measures to address these challenges. Some key measures implemented during the year were:

- A Strategic Talent Acquisition initiative has been successfully implemented.
- Successful completion of phase one of the operational efficiency initiative with the implementation of the new Human Resources Management System, Oracle Fusion on cloud.
- Launching of the Leadership development programme with a focus on the Leadership Brand statement depicting the desired leadership behaviours.
- The crafting of the Talent Management Programme has been completed and deployment will start at the beginning of financial year 2021.
- A review of the performance management system supported by a Competency Framework has been completed, which will be implemented during financial year 2021. This will enhance employee development and rewarding performance system.

### MCB Group's Employees

#### HEADCOUNT BY THE GROUP'S ENTITIES



### MCB Group - Headcount distribution

#### AGE DISTRIBUTION



- 32% < 30 years
- 57% 30 - 50 years
- 11% > 50 years

#### LENGTH OF SERVICE



- 25% < 3 years
- 15% 3 - 5 years
- 14% 6 - 10 years
- 46% > 10 years

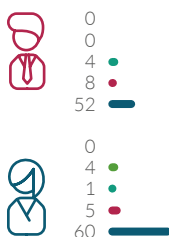
#### GENERATION TYPE



- 5% Baby Boomers
- 26% Gen X
- 59% Gen Y / Millennials
- 10% Gen Z

#### EMPLOYMENT CONTRACT

##### Fixed term



##### Permanent



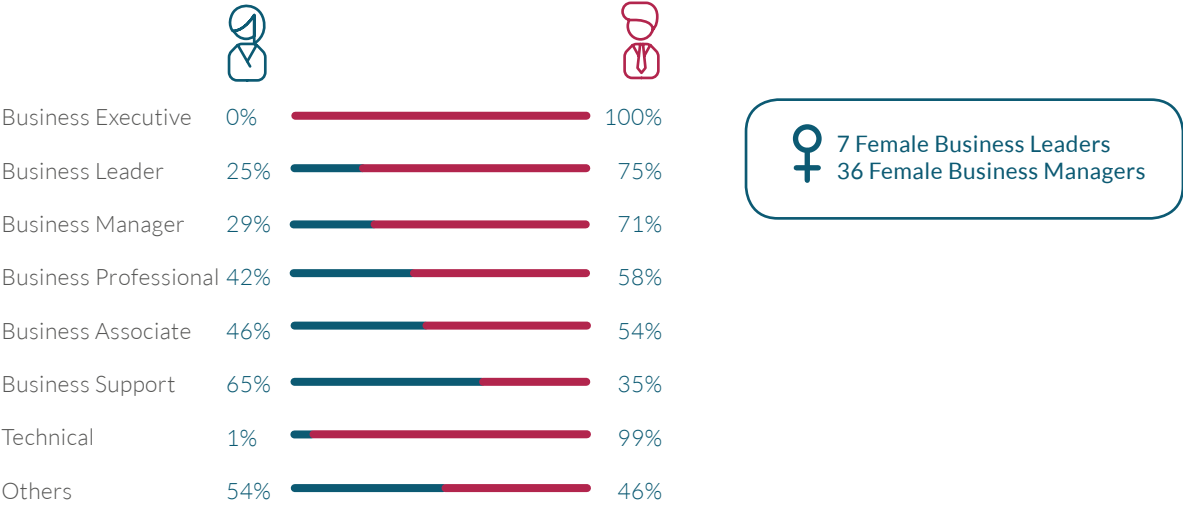
● MCB Maldives ● MCB Madagascar ● MCB Seychelles ● Local Subsidiaries ● MCB Ltd

### Workforce Diversity and Inclusion

Our workforce reflects the diversity of our multicultural population. The Group has an Equal Opportunity Policy in place since 2013. This policy dictates that, all employees be given full opportunity to use their talents, skills, experience and competence. It also enumerates that employees feel respected and valued regardless of their status, that is, age, caste, colour, creed, ethnic origin, impairment, marital status, place of origin, political opinion, race, sex or sexual orientation. In 2019, we made a commitment for at least **40% women to be appointed at middle and senior management level by 2026 at MCB Ltd**. This includes women at Business Manager, Business Leader and Business Executive levels. A gender working group has been set-up to execute the identified courses of action in alignment with the ‘Success Beyond Numbers’ strategic priorities.

**Target: At least 40% women to be appointed at middle and senior management level by 2026 at MCB Ltd**  
**Progress: For the year ending 30 June 2020, we had 27% women representing middle and senior management level**

**MCB LTD - WORKFORCE DIVERSITY BY JOB BAND**



## Engaging our Employees

During the financial year 2019-2020, HR SBU conducted an engagement survey administered by 'Great Place to Work', as part of the HR Transformation Programme. The Mini Trust Index 2019, which had a 59% participation rate, has shown that pride, respect and camaraderie had a relatively higher scores among all index values. Besides, the culture audit conducted in 2019 has shown some key strengths namely the presence of a multicultural and diverse workforce, a culture of excellence at MCB, the implementation of initiatives regarding employee well-being, and employee development. MCB scored highest in three areas when benchmarked with international best workplaces: rewarding employees, development of employees and sharing with community. There were also a few areas for improvement such as listening, balancing and caring, which are currently being addressed by the HR team together with the Heads of SBUs through objectives set for the year, KPIs and initiatives. Some of the scheduled actions are: creating open communication platforms within the organisation, designing and implementing new Employee Onboarding Experience, encouraging Managers to give recognition to employees not necessarily related to rewards, and lastly creating a feedback culture.

Great  
Place  
To  
Work®

**MINI TRUST INDEX 2019**



RESPECT



PRIDE



CAMARADERIE

**CULTURE AUDIT 2019**

- **SHARING (REWARDS)**
- **DEVELOPING**
- **SHARING (COMMUNITY)**

## Talent Management

Talent management for the Group means to identify, develop and retain competent and engaged people to sustain the current and future success of the company. This means having the right skills and right values with access to the right opportunities, exposure, stretch and development in order to reach their potential in their current and future roles. We have several programmes and initiatives to ensure effective talent management.

	Turnover rate	Retention rate	Hire rate
MCB Ltd	3.6%	96.8%	11.7%
MCB Group	5.5%	95.1%	13.1%

The design and deployment of adapted training and developmental actions is intended to support the development of a multi-skilled and future-ready workforce while bolstering our leadership and organisational capabilities. The continuous development of every MCB talent to acquire the required level of competencies to excel in his/her role is a key organisational objective that is cascaded throughout its businesses and functions. Our training strategy, which is in line with the organisational strategy and priorities aims to promote a culture of learning across the Group through a series of development options.

Key programmes implemented to upgrade employee skills were:

- Development of a Talent Management Programme – 'Grow!'
- Upskilling and professionalisation of employees of the Risk SBU by assisting them to improve critical thinking, including identification of development areas and implementing solutions for each employee.
- Setting up of a Digital Academy.
- Promoting online learning during the COVID-19 pandemic.

There have been several key training provided to our employees during the year:

- As part of the development and deployment of the Competency Framework, the HR team and representatives of all Business Units and functions across the Group have been trained on the profiling of roles. Psychometric training was also part of that programme.
- Change Management for Managers sessions have also been held to prepare managers to handle change, considering the scale of transformation efforts across the Group.
- Agile - to promote agile ways of learning across the organisation.
- Information Technology – virtualisation platforms and IT System Security.
- Regulatory – AML/CFT, first-aid, fire safety, workplace violence, Workers Rights Act 2019.
- Technical – Chartered Institute for Securities & Investment, updates on International Financial Reporting Standards, taxation, Oil & Gas fundamentals, and treasury.
- Soft skills – leadership, emotional intelligence, presentation/communication skill, team and individual engagement.

## INDIVIDUAL AND COLLECTIVE WELL-BEING (CONTINUED)

### MCB GROUP

336 training courses attended by employees  
Rs 71.2 million invested in training (net of HRDC refund)

8.8 average training hours per employee



9.2 hours



8.4 hours

### Well-Being at Work

We recognise the importance of providing adequate measures to ensure the well-being of our employees. This relates to promoting a quality, healthy and safe working environment. MCB has set up a Wellness Team to devise and implement initiatives in this regard. We also have a flexi-time policy where employees of Business Units can apply to work on their preferred work schedule arrangement. The COVID-19 pandemic has additionally contributed to the promotion of this flexible arrangement, whereby around 50% of our workforce are currently able to work from home.

In our quest to further enhance the well-being of our employees, some initiatives implemented during the year were:

- Opening of an Infirmary at our main offices.
- Hosting a Christmas party for the children of our employees based on the 'Lokal is Beautiful' concept.
- Collaborating with a healthcare provider to offer medical services to all employees including remote medical assistance during office hours, onsite consultation and visit for unforeseen cases.
- Provision of a support unit comprising an in-house Psychologist and Wellness Coordinators during the the pandemic's national lockdown in order to help employees cope with daily challenges.
- An Office Discovery Survey was conducted with employees after the lockdown to gather feedback on their work from home experience and on the way they see the future of the workplace in addition to brainstorming sessions done across the Bank. This will help to recreate a more meaningful workplace by being more agile and resilient.
- Providing social leaves to our employees for CSR activities.

The Group is committed to provide a healthy and safe work environment for its employees, visitors and service providers, as stipulated in its Occupational Health and Safety Policy. Risk assessment of the workplace together with regular onsite inspection help to identify safety and health hazards and take preventive actions. A major action of the year has been the renewal of fire certificates for all MCB buildings according to the new Mauritius Fire and Rescue Service Regulations 2018. MCB recorded nine accidents with 264 lost workdays with, slip and fall as the main cause of most accidents.

### MCB Group - Average hours of training per employee by job band

Business Executive	3.0
Business Leader	6.5
Business Manager	11.6
Business Professional	17.3
Business Associate	12.6
Business Support	12.9
Technical	6.5

Our health and safety team has deployed measures regarding the COVID-19 pandemic and has ensured that the premises of the organisation comply with the mandatory sanitary protocol of the authorities in order to prevent the spread of the virus and protect our employees. Besides, around 1,000 COVID-19 rapid tests were performed on our frontline employees at Group Level.



#### Number of injuries :

- **7** female
- **2** male



#### Injury leaves :

- **236** days Female
- **28** days Male

### Remuneration

Our employees are remunerated in alignment with the prevailing market conditions. The Group regularly benchmarks its remuneration practices to ensure that the packages remain motivating and competitive. The remuneration is based on many factors namely applicable regulations, performance of employees and meritocracy. Some of our remuneration benefits include annual performance bonus linked to the Group's financial results, subscription to the Group Employee Share Option Scheme, pension cover, and medical coverage for all employees and their dependents, financial products at preferential rates, subsidised canteen and club house.



**Rs 44,006** average monthly basic salary at MCB in Mauritius (For bands ranging from Technical to Manager)

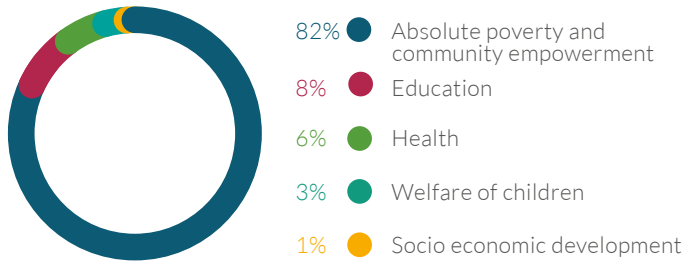
**Rs 33,777** national average monthly salary and

**Rs 53,557** for Finance and Insurance activities in Mauritius\*

\* Survey of employment and earnings in large establishments March 2020, Statistics Mauritius.

## MCB Forward Foundation

Our Corporate Social Responsibility (CSR) programme is coordinated through the MCB Forward Foundation (MCBFF), which aims to promote social well-being, empower people and reduce inequalities. According to the Government policy, companies are required to contribute 75% of the 2% of chargeable income to the Mauritius Revenue Authority, which then passes this amount to the National Social Inclusion Foundation (NSIF) for redistributing to NGOs and projects. Following an amendment in the Income Tax Act 1995, the Group was, for the period under review, authorised by the NSIF to retain an additional 25% of its earmarked CSR fund to cater for the implementation of programmes initiated prior to 1 January 2019. An amount of Rs 44.4 million was spent by the MCB Forward Foundation on 19 projects, of which 10 are ongoing. The project categories are: poverty and community empowerment, education, socioeconomic development, health, welfare of children and social leave by MCB employees. In line with our Corporate Sustainability Programme, MCBFF continued to support projects promoting social inclusion.



In an endeavour to increase the engagement of employees in CSR activities, the MCBFF in collaboration with Marketing and Communication SBU coordinated the implementation of the MCB Social Leave programme. Our 385 employees have dedicated 2,126 hours to six NGOs in various activities.

### SOCIAL LEAVE PROGRAMME

**Participation of 385 employees for 2,126 hours**

- Ebony Forest : Weeding and planting
- Leonard Cheshire Home: Entertaining the elders
- Mauritian Wildlife Foundation: Cleaning up of islets, weeding and potting
- Plankton Recycling: Recycling of bottles
- SOS Village Beau-Bassin: Painting of housing units
- Union Park Women Association

Due to the COVID-19 pandemic, MCBFF has put on hold several initiatives and projects that were scheduled for 2020. We have nevertheless sponsored and helped many people during the national lockdown period by providing resources that amounted to around Rs 1.97 million.

- 113 food packs were distributed to MCB Football Academy families in the regions of Pailles, Poste de Flacq, St Hilaire and Camp Levieux.
- 357 food packs were distributed to NGOs around the island in collaboration with Small Step Matters.
- Tablets were provided to ten children with special needs to enable them to remain connected to their school activities.
- Personal development programme and therapeutic workshops were organised during the lockdown period for children of the MCB Football Academy who had psychological and psychiatric issues in order to help them cope and continue with their online therapy sessions.
- One hundred customised face shields and four infrared thermometers were donated to the Association des Parents de Déficients Auditifs.



Through the Social Leave programme, 385 of our employees have dedicated 2,126 hours to six NGOs including Ebony Forest and the Mauritian Wildlife Foundation.





### **MARIAM GOPAUL, FORMER HEAD OF THE OBSERVATOIRE DES DROITS DES ENFANTS (ODEROI)**

*Mauritius has experienced booming prosperity and aspires to become a high-income economy. Social development however, has not followed the same trend. Mauritius has signed and ratified the UN Convention on the Rights of the Child in the early 90s. Yet, 30 years later, the child's right to protection is not safeguarded in our laws. Many children are at risk within their own family environment where they experience the collateral effects of domestic violence, substance abuse, sexual exploitation and poverty.*

*The MCB Football Academy (MCB FA) provides children with the opportunity to practice a healthy activity rather than leave them to roam the streets after school hours; they learn to be part of a team and develop team skills. By abiding to set rules and regulations, children acquire a sense of discipline and of responsibility.*

*Corporates such as the MCB Group could help further by setting up a youth portal to provide a structured platform for youth dialogue and inputs in matters that would help shape their future. Through the portal, they would be put in contact with role models and mentors (corporate staff, award winners and scholars), who could play an important role in inspiring them, help them build their confidence and self-esteem. This in turn would help them develop their creative thinking and problem-solving skills."*

## LOOKING AHEAD

### **HUMAN CAPITAL MANAGEMENT**

- During 2020-2021, we will focus on the implementation of the Talent Management Programme - Grow!, and the revamped Performance Management System.
- We will continue to stay close to our employees and care for them during this pandemic, as we understand the ongoing challenges and uncertainties.
- We will foster the well-being of our people by providing them with assistance on health, wellness, financial aspects, flexible working arrangement, and facilities for a doctor's visit at their residences.
- Continuous staff surveys including the Trust Index exercise that will gauge the engagement level of our employees will be held.
- Training programmes will be available on online platforms with dedicated learning journeys within the Talent Management programme.
- Health and safety – we will continue to enforce compliance with sanitary protocol relating to the COVID-19 pandemic.

### **CORPORATE SOCIAL RESPONSIBILITY**

MCB Group will continue to create positive social impacts on the country through its CSR arm, MCB Forward Foundation with the aim of, building a more inclusive society. Several initiatives will require rescheduling for 2021, but remain dependent on the evolution of the COVID-19 pandemic.

## GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)
<b>GRI 101: Foundation 2016</b>		
<b>General Disclosures</b>		
<b>GRI 102: General Disclosures 2016</b>	<b>Organisational Profile</b>	
	102-1 Name of the organisation	Page 2
	102-2 Activities, brands, products, and services	Pages 2 and 4
	102-3 Location of headquarters	Page 4
	102-4 Location of operations	Page 4
	102-5 Ownership and legal form	Page 100 - MCB Group Annual Report 2020 available on <a href="https://www.mcbgroup.com/en/investor-centre/annual-reports">https://www.mcbgroup.com/en/investor-centre/annual-reports</a>
	102-6 Markets served	Page 24-25 - MCB Group Annual Report 2020 available on <a href="https://www.mcbgroup.com/en/investor-centre/annual-reports">https://www.mcbgroup.com/en/investor-centre/annual-reports</a>
	102-7 Scale of the organisation	Pages 4-5
	102-8 Information on employees and other workers	Pages 52-53
	102-9 Supply chain	Page 29
	102-10 Significant changes to the organisation and its supply chain	Page 2
	102-11 Precautionary Principle or approach	We apply the Precautionary Principle in our operations and projects financed through the Equator Principles, so as to ensure minimal damage to the environment.
	102-12 External Initiatives	Pages 14-16
	102-13 Membership of associations	Pages 16 and 17 (Mauritius Bankers Association, Business Mauritius, Economic Development Board and other institutions)
	<b>Strategy</b>	
	102-14 Statement from senior decision-maker	Pages 6-8
	<b>Ethics and Integrity</b>	
	102-16 Values, principles, standards, and norms of behaviour	Page 20 (Ethics and Integrity)
	<b>Governance</b>	
	102-18 Governance structure	Page 13; Page 100 - MCB Group Annual Report 2020 available on <a href="https://www.mcbgroup.com/en/investor-centre/annual-reports">https://www.mcbgroup.com/en/investor-centre/annual-reports</a>
<b>Stakeholder Engagement</b>		
102-40 List of stakeholder groups	Page 17	
102-41 Collective bargaining agreements	60% of employees are covered by collective bargaining agreements (excluding overseas subsidiaries)	
102-42 Identifying and selecting stakeholders	Pages 53-55 - MCB Group Annual Report 2020 available on <a href="https://www.mcbgroup.com/en/investor-centre/annual-reports">https://www.mcbgroup.com/en/investor-centre/annual-reports</a>	
102-43 Approach to stakeholder engagement	Pages 53-55 - MCB Group Annual Report 2020 available on <a href="https://www.mcbgroup.com/en/investor-centre/annual-reports">https://www.mcbgroup.com/en/investor-centre/annual-reports</a>	
102-44 Key topics and concerns raised	Page 17	

## GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)
<b>GRI 101: Foundation 2016</b>		
<b>General Disclosures</b>		
<b>GRI 102: General Disclosures 2016</b>	<b>Reporting practice</b>	
	102-45 Entities included in the consolidated financial statements	Page 4
	102-46 Defining report content and topic Boundary	Page 2
	102-47 List of material topics	Pages 18-19
	102-48 Restatements of information	There is no restatements of information.
	102-49 Changes in reporting	There is no changes.
	102-50 Reporting period	Page 2; For environmental objectives, the reporting year is January-December 2019 (Page 34).
	102-51 Date of most recent report	Sustainability Report 2019 - covers the period 1 July 2018 - 30 June 2019
	102-52 Reporting cycle	Annual
	102-53 Contact point for questions regarding the report	Page 2
	102-54 Claims of reporting in accordance with the GRI Standards	Page 2
	102-55 GRI content index	Page 58
102-56 External assurance	The organisation has decided not to seek external assurance for the report.	
<b>Material Topics</b>		
<b>GRI 200 Economic Standard Series</b>		
<b>Economic Performance</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Page 4
<b>Market presence</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Page 55

## GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)
<b>GRI 200 Economic Standard Series</b>		
<b>Indirect Economic Impacts</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-2 Significant indirect economic impacts	Pages 26-29, 42, 44, 56,57
<b>Procurement Practices</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Pages 18 and 29; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	Page 29
<b>Anti-corruption</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Page 20 (Ethics and Integrity)
	205-2 Communication and training about anti-corruption policies and procedures	Page 20 (Ethics and Integrity)

## GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)
<b>GRI 300 Environmental Standard Series</b>		
<b>Energy</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Pages 18, 34 and 38; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organisation	Page 34
	302-3 Energy intensity	Page 34
	302-4 Reduction of energy consumption	Page 34
<b>Water and Effluents</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Pages 18 and 36; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 303: Water and Effluents 2018</b>	303-5 Water consumption	Page 36
<b>Emissions</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Page 18, 35, 39-42, 43 (Ebony Forest); Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Page 36
	305-2 Energy indirect (Scope 2) GHG emissions	Page 36
	305-3 Other indirect (Scope 3) GHG emissions	Page 36
	305-4 GHG emissions intensity	Page 36
	305-5 Reduction of GHG emissions	Page 36, 39-42 (Klima section)

## GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)
<b>GRI 300 Environmental Standard Series</b>		
<b>Waste</b>		
<b>GRI 103: Management approach 2020</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 306: Waste 2020</b>	306-3 Waste generated	Page 38
	306-4 Waste diverted from disposal	Page 38
<b>Environmental Compliance</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 307: Environmental Compliance 2016</b>	307-1 Non compliance with environmental laws and regulations	The Group complies with all applicable environmental laws and regulations.
<b>GRI 400 Social Standard Series</b>		
<b>Employment</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Page 54
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 55

## GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)
<b>GRI 400 Social Standard Series</b>		
<b>Occupational Health and Safety</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 403: Occupational Health and Safety 2018</b>	403-9 Work-related injuries	Page 55
<b>Training and Education</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Page 55
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 54
<b>Diversity and Equal Opportunity</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Page 53; Pages 102-103, 108-112 - MCB Group Annual Report 2020 available on <a href="https://www.mcbgroup.com/en/investor-centre/annual-reports">https://www.mcbgroup.com/en/investor-centre/annual-reports</a>

## GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)
<b>GRI 400 Social Standard Series</b>		
<b>Freedom of Association and Collective Bargaining</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 21 (Human Rights)
<b>Forced or Compulsory Labour</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 409: Forced or Compulsory Labour</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Page 21 (Human Rights); Page 38 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>Human Rights Assessment</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 412: Human Rights Assessment 2016</b>	412-1 Operations that have been subject to human rights reviews or impact assessments	Page 21 (Human Rights and Equator Principles) Page 38 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>



## GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)
<b>GRI 400 Social Standard Series</b>		
<b>Local Communities</b>		
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Pages 42-44, 56
<b>Public Policy</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 415: Public Policy 2016</b>	415-1 Political Contributions	Page 62 - MCB Group Annual Report 2020 available on <a href="https://www.mcbgroup.com/en/investor-centre/annual-reports">https://www.mcbgroup.com/en/investor-centre/annual-reports</a>
<b>Marketing and Labeling</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling	Pages 21-22, 30

## GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)
<b>GRI 400 Social Standard Series</b>		
<b>Customer Privacy</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 21
<b>Socioeconomic Compliance</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-2 The management approach and its components	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
	103-3 Evaluation of the management approach	Page 18; Pages 13, 18-20 - MCB Sustainability Report 2019 available on <a href="https://www.mcbgroup.com/en/">https://www.mcbgroup.com/en/</a>
<b>GRI 419: Socioeconomic Compliance 2016</b>	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.

## UNEPFI Principles for Responsible Banking

Principles for Responsible Banking		Progress against the Principles
<b>Principle 1</b> 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	Our Sustainability Strategy - pages 12-19; Our commitment on climate - page 39.
<b>Principle 2</b> Impact & 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.	A Vibrant and Sustainable Economy section - pages 26-30; Our Environmental and Cultural Heritage - pages 34 - 45; Individual and Collective Well-Being - pages 51-57.
<b>Principle 3</b> Clients & 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.	Customers - pages 21-22; Financial Literacy and Digitalisation - page 30; 'Lokal is Beautiful', Microfinance, Resilient Production, SME Marketplace, 'Made in Moris' campaign and Impact Ecosystem - pages 26-28; Equator Principles - page 21.
<b>Principle 4</b> Stakeholders	We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.	Stakeholder Engagement - page 17
<b>Principle 5</b> Governance & Culture	We will implement our commitment to these Principles through effective governance and a culture of responsible banking.	Our Sustainability Strategy - pages 12-13
<b>Principle 6</b> 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.	Information relating to our environmental, social and governance aspects included in this Sustainability Report shows our accountability and transparency towards our stakeholders.

## List of Acronyms

AFD	Agence Française de Développement
AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism
ATM	Automated Teller Machine
BFCOI	Banque Française Commerciale de l'Océan-Indien
CO2-eq	Carbon dioxide equivalent
CSR	Corporate Social Responsibility
DPA	Data Protection Act
EP	Equator Principles
FTE	Full Time Equivalent
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HR	Human Resources
IT	Information Technology

kWh	Kilo Watt per hour
MIM	Made in Moris
MWh	Mega Watt per hour
NGO	Non-Governmental Organisation
NSIF	National Social Inclusion Foundation
SBU	Strategic Business Unit
SDGs	Sustainable Development Goals
SEMSI	Stock Exchange of Mauritius Sustainability Index
SME	Small Medium Enterprises
SUNREF	Sustainable Use of Natural Resources and Energy Finance
UN	United Nations
UNEP FI PRB	UN Environment Programme Finance Initiative Principles for Responsible Banking
UNGC	UN Global Compact

