



GEOENGINEERING

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JUST TRANSITION

KYOTO

NORTH

MCB GROUP

SUSTAINABILITY
REPORT 2023

RENEWABLE
ENERGY

QUALITY OF AIR

SUCCESS BEYOND NUMBERS





Climate change is now part of our reality. While it is a matter of concern to us all, the rising generations are those who will have their hands on the solutions. This report uses playful elements of an 'alphabet book' crafted to help people get acquainted with the climate change vocabulary.



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**As Mauritius' longest-standing financial institution,
we aim to help people and communities thrive today and tomorrow.**

We proudly present our 2023 Sustainability Report, which tells you more about the Group's corporate sustainability initiatives and actions during the year as part of our commitment to our purpose, Success Beyond Numbers. The latter serves as the foundation that drives our efforts to create lasting positive economic, social, environmental and cultural impact in the long term.

We work through three pillars:



Vibrant and sustainable local and regional economies



Our cultural and environmental heritage



Individual and collective well-being

Our values underpin our company purpose, and guide and inspire every individual across MCB Group, helping them remember they are part of something bigger than themselves.



Integrity

Honest and trustworthy at all times



Customer Care

Delivering unrivalled service



Teamwork

Working together towards a common goal



Innovation

Proactively seeking out new opportunities



Knowledge

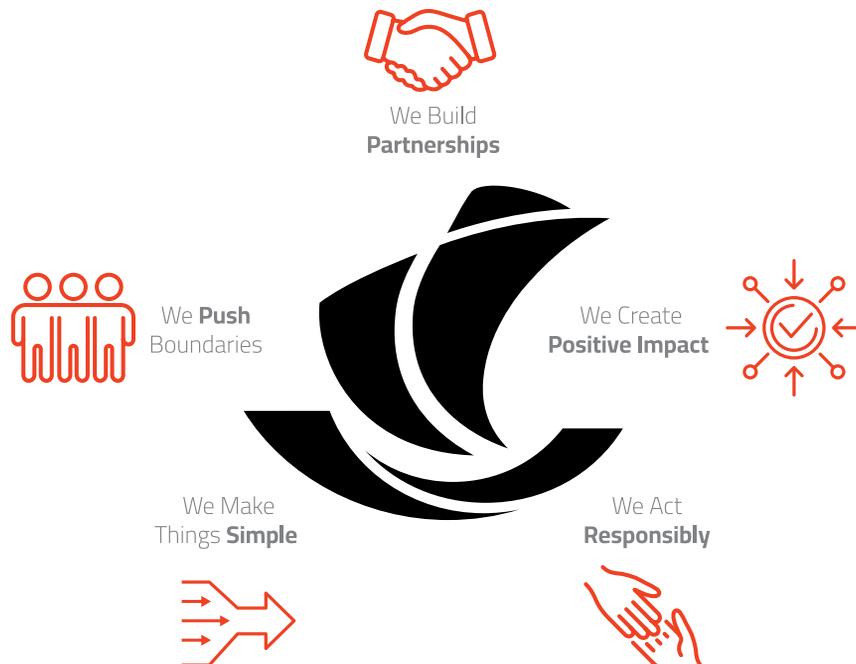
Believing in lifelong learning



Excellence

Being the best we possibly can

Our 'Shared Ways of Working' comprise a set of behaviours that MCB believes are important to create trust internally and externally.



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



Unsolicited independent ESG rating and research agencies recognise our ESG practices.



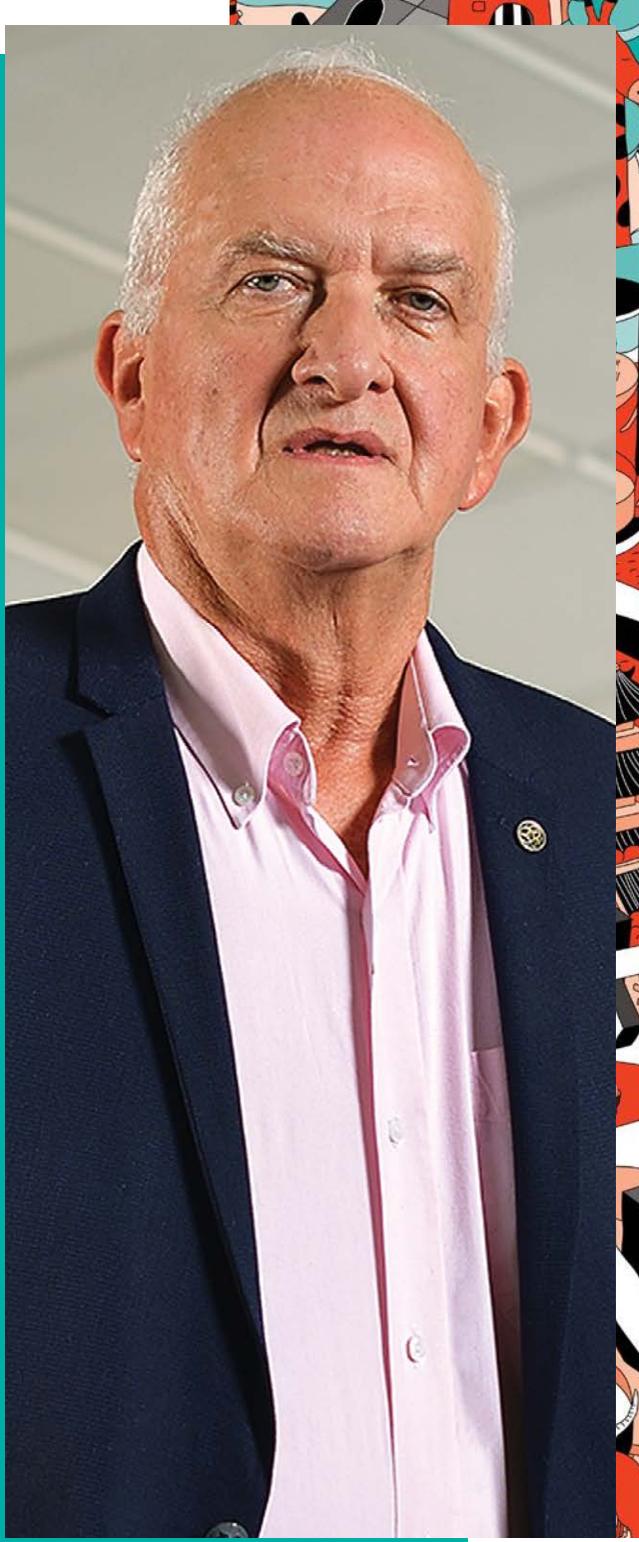
In May 2023, MCB Group received a rating of A (on a scale of AAA-CCC) in the MSCI ESG Ratings¹ assessment.



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

¹ **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.

An introductory message from our Chairperson



It is a great privilege to present MCB Group Limited's 2023 Sustainability Report.

In the face of unprecedented global challenges, ranging from the urgent threat of climate change to the pressing issues of social instability, the era of 'business as usual' is over. We stand at a pivotal moment in history, where businesses must rise to the occasion, not just to solve complex problems, but to chart a course toward sustainable and inclusive growth that will resonate for generations to come.

As one of the most significant players in the regional banking and financial services arena, we are not merely called upon, but compelled, by our stakeholders to embrace this higher standard. Our stakeholders demand more than just financial expertise; they seek a trusted partner committed to integrating sustainability into the very fabric of the work we are engaged in. This demands an unwavering commitment to transparency, a willingness to acknowledge our triumphs and setbacks alike, and a resolute dedication to fulfilling our responsibilities.

Our compass on this transformative journey is our corporate purpose, Success Beyond Numbers. It serves as both our guiding light and our battle cry, urging us to engage deeply with our stakeholders and to redefine success itself, transcending the mere confines of numerical metrics.

Reflecting upon the challenges and successes of the past year, I am confident that we are making significant forward strides on this path. Together, we shall continue to work tirelessly to deliver even more profound, enduring, and transformative outcomes, all in the pursuit of creating sustained, long-term value for each and every one of our stakeholders.

M G Didier Harel
Chairperson
MCB Group Limited

A short message from our Head of Communication and Corporate Sustainability, Vanessa Doger De Spéville

For more than 180 years, MCB has played a crucial role in promoting economic and social prosperity throughout Mauritius. We could not have achieved this without a strong commitment to partnering with all sectors of society to accelerate progress.

As we face a growing set of systemic social, economic, environmental and geopolitical challenges, the need for high-impact, multi-party partnerships is more pronounced than ever. We cannot take an incremental or siloed approach to these challenges. Instead, we need comprehensive and inclusive actions.

Partnerships are essential to deliver on the United Nations 2030 Agenda for Sustainable Development and the associated Sustainable Development Goals, which emphasise the value of cross-sectoral collaboration and cooperation. Global disruptions and concurrent crises, such as the long recovery from the pandemic, high inflation and the war in Ukraine, have slowed progress against these crucial goals.

As Mauritius' oldest and largest banking institution and an increasingly well-known regional player, we can play a key role in rallying stakeholders to work collectively towards creating new and sustainable business models that are able to better manage the complex societal and environmental issues affecting our customers and communities.

Only by working together will we be able to secure progress and coconstruct resilient strategies that reduce inequality and spur economic growth while tackling climate change. I am proud that this year, together with our stakeholders, we moved from commitment to action, and I look forward to progressing together on this journey in the years ahead.

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



Report scope and boundary

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

This report covers the period of 1 July 2022 to 30 June 2023. Material events taking place after this date and until the approval of the report have also been communicated. We strive to ensure that data relating to financial, economic, social and environmental indicators remains comparable to and consistent with our 2022 report.

Our reporting suite

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



Annual Report

Our Annual Report is our primary report to our key stakeholders, which include shareholders and investors, customers, societies and communities, authorities and economic agents and employees.

The report contains information on the overall strategic, financial and operational progress achieved during the year under review. It provides insights into our operating environment, business model and strategy, business performance, stakeholder engagement, risk management and adherence to corporate governance principles.



Sustainability Report

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



Access these reports at mcbgroup.com

Reporting frameworks and standards

We developed this report with reference to the Global Reporting Initiative's (GRI) Sustainability Reporting Standards. Our GRI Content Index is available in the additional information section.

The Bank of Mauritius published the Guideline on Climate-related and Environmental Financial Risk Management, which came into effect on 1 April 2022. As required by the Bank of Mauritius, we submitted a roadmap for developing our internal climate-related and environmental financial risk management framework. Read more in our Responsible Behaviour chapter.

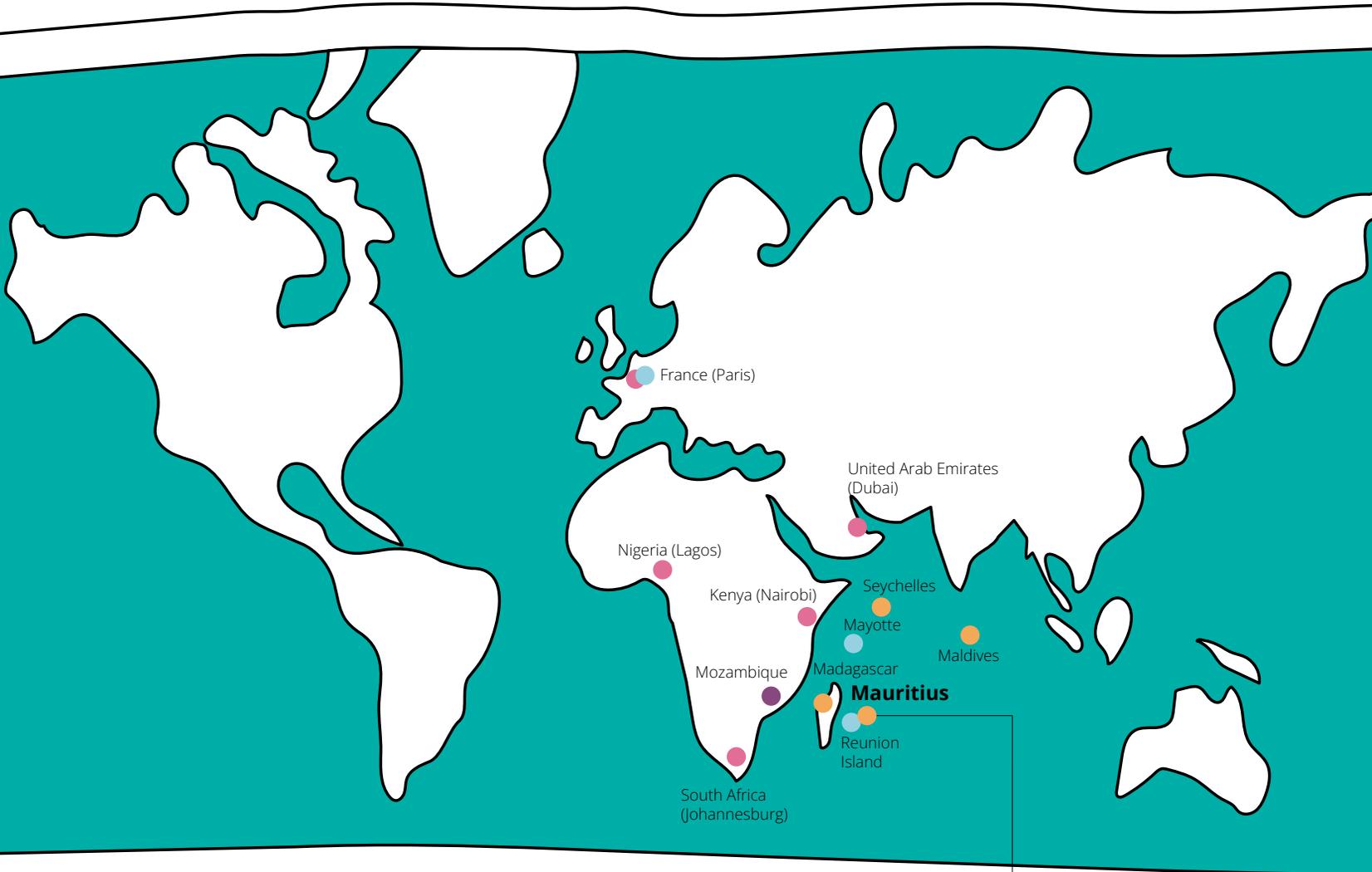
We track emerging ESG reporting developments, such as the publication of IFRS Sustainability S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures, and the increasing alignment of ESG reporting frameworks and standards. These disclosure standards are aimed at providing information relating to how material climate and sustainability-related risks and opportunities are likely to impact on an organisation's current and future financial position. We remain committed to refining our reporting approach to provide our stakeholders with relevant and fit-for-purpose disclosure.

Feedback

We conduct an annual review of our report with our stakeholders to improve our reporting year-on-year. For more information about this report or to provide feedback, please email cs0@mcb.mu.

MCB Group an overview

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



Presence in **11 countries** outside Mauritius

Wide network of correspondent banks o/w **~100 in Africa**

MCB Group

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

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

Ranking



67th

In Africa, in terms of market capitalisation
African Business Top 250 Companies, May 2023

597th

In the world in terms of Tier 1 capital
The Banker Top 1000 World Banks, July 2023

Leading regional bank

Based on operating income and profitability, L'Eco Austral, Top 500 Regional, Edition 2023

Best Bank in Mauritius
Best Corporate Bank in Mauritius
Best Bank for Digital Solutions in Mauritius
Euromoney Awards for Excellence 2023

Best Bank of the Year for Mauritius
The Banker Bank of the Year Awards 2022

Environmental Awards 2023
Ministry of Environment, Solid Waste Management and Climate Change

Best Domestic Private Bank in Mauritius
Euromoney Global Private Banking Awards 2023

Best Trade Finance Bank in Mauritius
Global Finance Magazine 2023

Brand Purpose Sustainable Brand
Brand Magic Survey 2023

Best Private Bank
PWM/The Banker 2022

Highlights



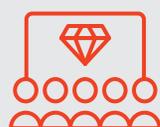
**Financial
performance**

Rs 14,133m

**Net
profit**

Rs 830bn

**Total
assets**



**Shareholder
value**

Rs 57.66

**Earnings
per share**

Rs 20.25

**Dividend
per share***



**Market
positioning**

Rs 368bn

**Customer
loans**

Rs 587bn

**Customer
deposits**



**Capital &
return ratios**

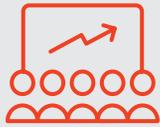
35.4%

**Cost
to income**

16.9%

**Return
on equity**

* Dividends declared for FY 2022/23 and FY 2021/2022 are not strictly comparable with those of FY 2020/21. No dividend payment was made in respect of 2020 amidst the uncertain context and the 2021 dividend was based on the results of both years, albeit at a reduced payout rate.



Shareholders & investors

Rs 77.2bn

Market capitalisation on Stock Exchange of Mauritius (SEM)
First on the local stock market

A

MCB Group MSCI ESG Rating



Customers

~1,180,800

Total customers

~535,120

MCB Juice subscribers



Societies & communities

Rs 73m

Amount spent by MCB Forward Foundation

16,165 tonnes

CO₂-eq carbon emissions produced in 2022

Scope 1, 2, 3 (Business Travel and Commuting only)



Employees

~4,100

Workforce

31%

Women at middle and senior management level*

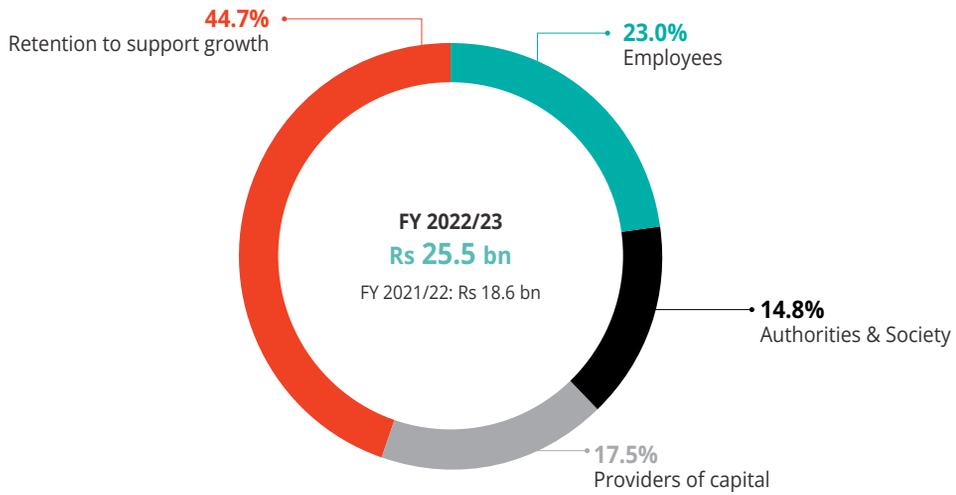
~93%

Employee retention rate

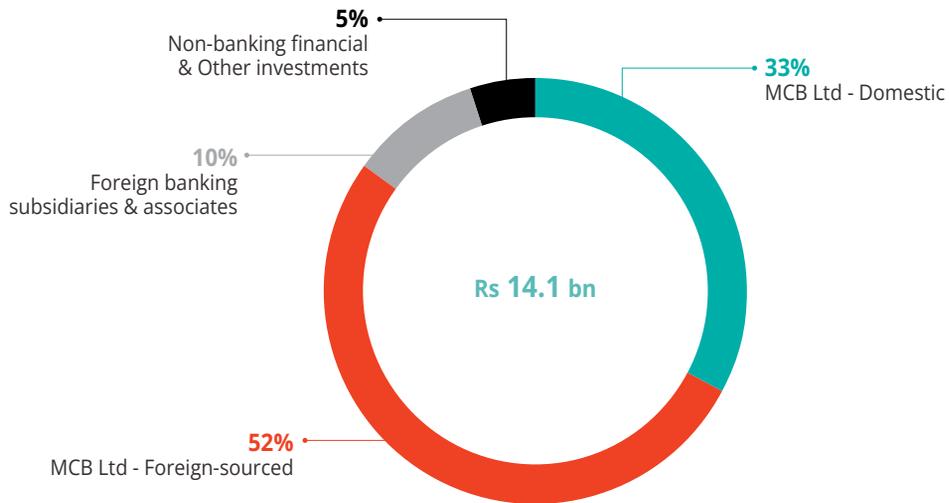
* Relates to MCB Ltd

Note: Figures are as at 30 June 2023, unless otherwise stated.

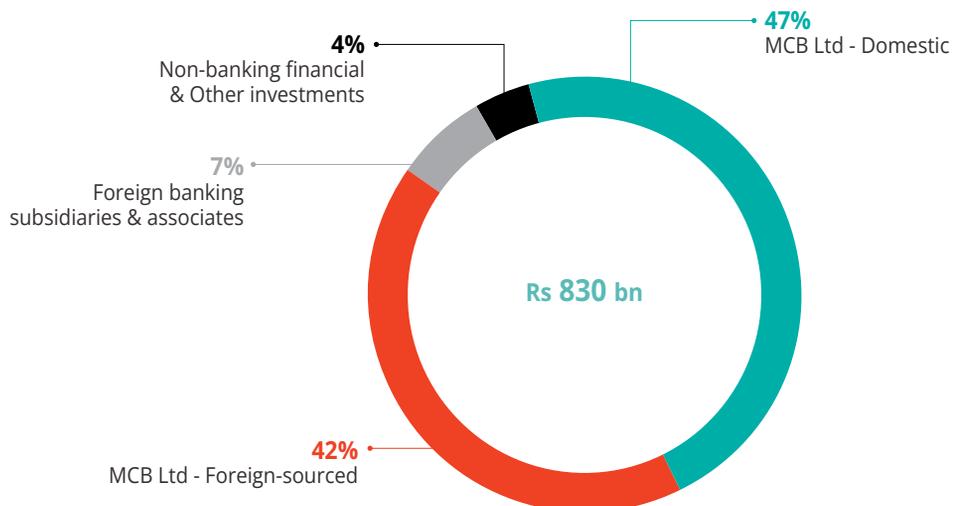
Distributable financial value



Profit attributable to ordinary shareholders



Assets



The Group's subsidiaries and associates operate under three clusters: Banking, Non-banking financial, and Other investments.



Banking

MCB Ltd is the main subsidiary of the Group and is headquartered in Mauritius, where it progressively consolidated its position as the market leader in the Mauritian banking sector, while being actively involved in the region. It delivers a palette of financial products and services across its four customer-facing segments, notably Retail, Private Wealth Management, Business Banking, and Corporate and Institutional Banking.

The Group's foreign banking subsidiaries in Madagascar, Maldives and Seychelles as well as its overseas associates, i.e. Banque Française Commerciale Océan Indien operating in Réunion Island, Mayotte and Paris and Société Générale Moçambique, provide clients with an array of banking services adapted to local market realities. Our foreign banking subsidiaries capitalise on Group synergies to position themselves as the preferred banking partner of corporate and individual clients.



Non-banking financial

The Group has entrenched its participation in the non-banking financial services field, with increasing prominence of key entities.

The main entities under this cluster include (i) MCB Capital Markets Ltd, the investment banking and asset management arm of MCB Group (ii) MCB Factors Ltd, which includes a prominent operator in the field of factoring in Mauritius, and (iii) MCB Leasing Ltd which offers a wide range of innovative finance and operating leasing solutions, including green leases, as well as attractive rates on fixed deposits.

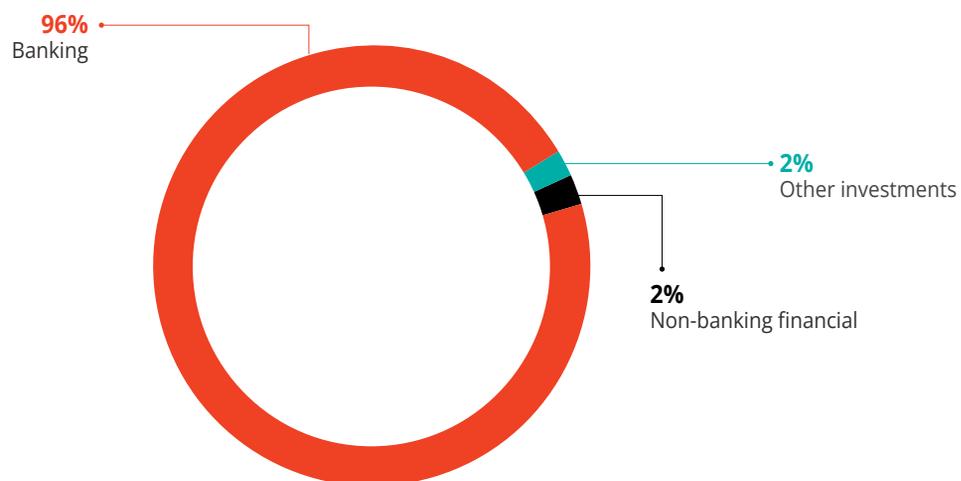


Other investments

The Group is involved in other business areas and ancillary undertakings, with dedicated structures to promote Corporate Social Responsibility and the Group's philanthropic agenda.

MCB Consulting Ltd provides advisory services, business process and organisational reviews, assistance in the selection, implementation and maintenance of Information Technology solutions, as well as the delivery of training services. MCB Institute of Finance Ltd provides students and professionals alike with the financial know-how via carefully selected courses in partnership with high-calibre educational institutions. Fincorp Investment Ltd is an investment company listed on the local stock exchange

MCB Group's operating income¹ across its three clusters was Rs 31.79 billion (FY 2022: Rs 23.8 billion).



Read more about MCB Group in our 2023 Annual Report.

¹ Figures shown are after elimination of intercompany transactions. Note: figures are as at 30 June 2023.

In conversation with our Group Chief Executive, Jean Michel Ng Tseung

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

Despite the ongoing tough environment, MCB maintained its momentum and pursued its strategy to contribute to the economic, social, and environmental landscapes of Mauritius and the countries in which we operate.



The world economy remained precarious. Challenges included the protracted war in Ukraine, rising inflation and food and energy costs, and high interest rates across the globe, adversely impacting economic recovery and putting households and businesses under pressure. We also saw new levels of uncertainty, with pressure on global economies, currencies, and financial institutions. A worsening climate crisis further exacerbated these challenges.

Amid this turbulence, there were promising developments as a growing number of stakeholders realised that the financial and reputational cost of not addressing sustainability issues is mounting. Globally, regulators are now stepping up to tackle the rising occurrence of greenwashing. This includes, for example, the publication of the IFRS Sustainability Standards S1 and S2, launched in June 2023, and the European Sustainability Reporting Standards aligned with the requirements of the Corporate Sustainability Reporting Directive (CSRD), adopted in June 2023. These disclosure standards outline sustainability-related disclosures for capital markets and are designed to ensure that companies provide investors with information relevant to decision-making. Importantly, this includes providing investors with information on how material climate and sustainability-related risks and opportunities are likely to impact an organisation's current and future financial position. As we speak, these standards are not required to be adopted by companies by our local jurisdiction. However, we are participating in a study assessing the potential impacts of the CSRD on MCB.

Locally, we saw green shoots that are immensely positive in the face of challenging and unpredictable times. The Mauritius Roadmap and Action Plan to help Mauritius accelerate its shift to a circular economy was unveiled during the year, providing the strategic orientation needed to bring circularity into key economic sectors. We also saw renewable energy projects emerging in line with the Mauritius Renewable Energy Roadmap 2030.

These developments provide a reason for cautious optimism, even amid numerous uncertainties.

Against this backdrop, what stood out for you as milestones or setbacks in delivering on the Group's purpose, Success Beyond Numbers?

As a purpose-driven Group and the largest bank in Mauritius, our objective is to play a prominent role in our nation's sustainable development and help people succeed every day, be it our customers, shareholders, employees, or communities. It is a great source of pride for me that even in tough times, we continued to find ways to apply our purpose across our organisation and manage our business in a balanced and responsible manner.

Over the past 18 months, we have embarked on a significant culture change journey to ensure we embed, reinforce, and sustain the right culture across the Group. We re-evaluated our definition of 'success' and identified five shared ways of working that bind all employees of the Group. We also appointed a Head of Culture and Leadership Development to build and implement a framework that expresses our desired culture and helps us navigate complexity while responding to our clients' ever-evolving needs.

We improved our governance structure by developing a Central Sustainability Office (CSO). The office performs a cross-functional role across the Group, working alongside the various departments to provide advice and guidance on sustainability matters and fulfilling our purpose, Success Beyond Numbers. As Group Chief Executive, I oversee the work of the CSO, which reports to me. I believe this is important to embedding sustainability into our policies, operational strategies, processes, procedures, and systems, and demonstrates our strong commitment to sustainability.

We approved our sustainable finance framework, which outlines our approach to sustainable finance, our methodology to measure our impact against stated targets, and our performance in line with the Principles for Responsible Banking (PRB). To support this, we developed a green taxonomy detailing the criteria for financing and promoting environmentally-focused financing products. We will ensure that we will improve this green taxonomy to align with market standards and the latest regional technologies. We will also supplement it with a social taxonomy in the near future. Read more about our sustainable finance framework and green taxonomy on page 41.

We also set up a transition task force, which is delivering material benefits to our business from a value creation and risk management perspective. The transition task force oversees three key workstreams:

1. Through our **climate risk stream**, we are working at full speed to better understand our existing credit portfolio's vulnerability to physical and transition climate risks and integrate climate risk into our financing decisions.

2. Our second stream, **local and regional sustainable finance**, enables us to work with our clients to identify sustainability improvements they can bring to their businesses. We extended our Rs 5 billion credit line to Rs 10 billion for local projects to increase available financial support and enable the implementation of already identified sustainability improvements. We further reinforced our sustainable financing offer by launching the MCB Sustainable Loan.

3. The third stream drives **international sustainable finance**, helping us position Mauritius as a prominent and sustainable International Financial Centre. We are incorporating more sustainable practices into the banking products and services available to our international clients looking to expand into and invest in Africa. In particular, MCB wants to play a key role in responsibly facilitating and financing the continent's energy transition, focusing on the energy, commodities, and infrastructure sectors.

Another milestone this year was the organisation of 'Climate Week' and the 'Deba Klima' to raise awareness on the importance of climate change mitigation and adaptation. We are particularly proud of 'Deba Klima', a debate contest for students that we undertook in collaboration with the Rajiv Gandhi Science Centre with the tremendous help of Dr. François Gemenne, a renowned specialist of environmental geopolitics and migration dynamics who is also a member of the Intergovernmental Panel on Climate Change. The event was a resounding success, reaching 16 secondary schools across Mauritius. We are excited that MCB played a role in spurring conversation among young citizens on the importance of climate change and created a space for them to share their learnings on national television and social media platforms.

Employee wellness remained high on our agenda. We provided ongoing support through lifestyle coaching, a Wellness Fair, various fitness and hiking activities, and our dedicated online wellness platform, Nu baz Wellness.

While we made significant progress in many aspects, we also faced challenges. Mauritius has a shortage of specialised skills, making recruiting and retaining key talent difficult. In response, we focused on embedding innovative and agile HR practices.

We also recognise that Mauritius has limited local expertise in climate-related risk analysis and generally poor availability of environmental data. We have partnered with an international climate data service provider to understand our exposure to highly emissive sectors sensitive to transition risks and our exposure to physical chronic and acute risks that include natural disasters and rising sea levels, among others. This project will allow us to improve the way we manage climate-related risks and track and measure our environmental performance.

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

We remain resolute in our commitment to contribute towards building a more sustainable economy locally and in the countries we operate in. We will seek to rally our numerous stakeholders around this common goal and encourage collaboration, innovation, and responsible entrepreneurship.

As we move forward into what will likely be another challenging year, we will focus on building a more resilient and agile organisation better equipped to navigate the complexities of today's business landscape. We will ensure that our 'Shared Ways of Working' are reinforced each day among every employee. We will support this with high-potential employee development programmes and new training programmes designed to improve our people management capability across the Group.

Promoting a culture of sustainability across our organisation will remain critical. We will deploy a targeted and tailor-made sustainability training and awareness programme for all employees across every level of the Group. We will further integrate the function of our CSO across the organisation. Key objectives include delivering on our sustainable development commitments, rallying our stakeholders, and embedding sustainable finance as a growth driver, guided by our recently approved sustainable finance framework. We will support this by introducing and tracking our performance against a clear set of key sustainability indicators to ensure we are moving in the right direction.

The fight against climate change is non-negotiable and will be the centre stage for the public and private sectors and our stakeholders. At MCB Group, we view climate change as an increasingly integral part of risk management as well as significant growth engine.

As Mauritius' largest bank, we also have the scale and expertise to contribute meaningfully to extensive, wide-reaching local renewable energy projects. We are also acting as an enabler for public-private partnerships and unlocking opportunities to finance climate mitigation, adaptation, and climate resilience measures.

Any closing remarks?

Over the past year, we have been encouraged by the level of engagement from our employees, partners, suppliers, and customers and inspired by their willingness to collaborate on crucial sustainability imperatives. Without this collaboration, we could not have achieved what we set out to accomplish.

I want to take this opportunity to thank the Board and the Corporate Sustainability Committee for their steadfast support throughout the year and for advising and encouraging the management teams. We could not have moved our sustainability agenda forward without your insight and guidance.

Thanks also to our Head of Communication and Corporate Sustainability and her team and the sponsors of our various sustainability projects for contributing to our success this year. I would also like to take a moment to express my gratitude to every MCB Group employee for their commitment and engagement.

The year ahead will likely be challenging, yet exciting. I am confident that MCB Group will rise to the occasion and take the challenges head-on with passion and commitment while driving positive transformation and sustainable prosperity in Mauritius and the countries where we operate.

Jean Michel Ng Tseung
Group Chief Executive,
MCB Group Limited

In conversation with our Designate Chief Executive Officer, Thierry Hebraud

As you ready yourself to take on the position of MCB Ltd's Chief Executive Officer, what role do you believe the Bank should play in Africa's economic development and prosperity?

As Mauritius' leading bank and an increasingly well-known regional player, MCB has a responsibility to drive Success Beyond Numbers and make a positive difference to economies, people, communities, and the environment.



Over the past year, we supported our clients by providing relevant and wide-ranging products and services that are responsive to their needs and underpinned by digital payment innovation. This includes refining products that aim to promote local economic development, such as revamping our 'Lokal is Beautiful' loan scheme to ensure it caters to a wider range of entrepreneurs and launching Pay+, a payment solution to enable seamless and efficient cashless payments. We are also proud to have launched our Sustainable Supply Chain Finance to CIEL Textile's knitwear cluster, to the tune of USD 10 million. This financing facility is aimed at businesses focusing on environmental protection and socio-economic development.

We believe these innovations are fundamental to building financial well-being as they enable our clients to tap into emerging business opportunities and transact in an easier, faster, and safer way.

Outside Mauritius, we continue to see immense potential in leveraging the strength and scale of our business to establish MCB as a trusted and competitive long-term banking partner in Africa, servicing a growing pool of regional and international clients. This positions us well to harness private capital as a powerful tool to drive sustainable development.

A key focus area is growing our presence in the energy and infrastructure sectors as we seek to support the continent's transition to low-carbon, resource-efficient, and climate-resilient economies.

While MCB recognises the need for countries worldwide to transition to low-carbon economies, we also believe it is important to balance economic and social progress and access to energy with climate goals. Our oil and gas financing strategy is guided by our approach to responsibly finance affordable energy while helping countries transition to cleaner solutions. This is vital to meet Africa's complex energy requirements.

According to the United Nations, the continent has one of the lowest energy access rates globally. While there has been increased investment in Africa's vast renewable energy potential, this is insufficient to meet the continent's fast-growing energy demands. Therefore, we must strike the right balance between ambitious climate goals for more developed nations, such as the global

commitment to net zero greenhouse gas emissions, with economic and social progress and access to energy for developing nations.

Striking this balance is fundamental to defining what a 'just transition' to renewable energy means for Africa, particularly considering that the continent's contribution to global CO₂ emissions is estimated to be approximately 3%. At MCB, we believe this 'just transition' includes making space for African countries to responsibly tap into a range of energy sources to drive sustainable socio-economic development while helping to fund, facilitate, and influence the continent's energy transition and decrease net carbon emissions.

In this respect, the Bank recently participated in landmark projects in Ghana, Senegal, Rwanda, and Nigeria to support their transition from fossil energy to cleaner energy sources. We believe these kinds of projects are the first step in the right direction. It also builds on our commitment to stop all new financing of coal infrastructure and trade worldwide (read more on page 72).

Ultimately, we recognise the undeniable need to curb carbon emissions and reach the Paris Agreement, which provides a pathway for developed nations to assist developing nations in their climate mitigation and adaptation efforts. This includes developed nations providing support through funding agreements and assisting with technology and research, among others.

Cognisant of the need for an orderly and fair transition, MCB aims to work with best-in-class operators to help provide cleaner and more affordable energy solutions while considering Africa's energy needs and its social, economic, and environmental realities.

What is MCB doing to ensure it considers and integrates environmental and social impacts into its banking and financing activities?

Our Environmental and Social Risk (ESR) Policy guides how we manage the environmental and social risks associated with our lending activities. To ensure that all projects and facility agreements we finance comply with our Policy, we undertake independent due diligence where necessary.

This year, we integrated our Environmental and Social Risk Management function into our Risk Strategic Business Unit (SBU) to strengthen our risk management approach. We further integrated climate risk within our Financial Risk function, which sits under our Risk SBU, while a new ESG Business Unit is being created within the Corporate and Institutional Banking SBU.

I am particularly proud of the momentum we gained developing our sustainable finance framework and transition journey, which guides the allocation of our capital towards projects that support the transition to low-carbon economies. Key highlights include establishing a

transition task force, extending our Rs 5 billion credit line to Rs 10 billion to finance local projects, and developing a green taxonomy, which we will evolve over time to align with market standards and the latest regional technologies. These developments align with the Mauritian Government's objectives for the country's energy sector. We welcome opportunities to strengthen this dialogue between the private and public sectors and accelerate the financing and implementation of relevant projects.

As you look to the future, what is your vision for MCB, and how would you like to see the Bank progress on its sustainability journey?

My vision for MCB in the next five years is to be a leading regional player, recognised for our commitment to accompanying Mauritius and the broader continent on the just transition to sustainable and resilient economies.

There are vast opportunities to further develop and strengthen our partnerships and working relationships with a network of stakeholders across Africa to support the continent's climate transition. This transition is fundamental to addressing social instability and accelerating sustainable development.

I would also like to see the Bank at the forefront of the continent's digital transition by becoming a major regional transaction bank. At MCB, we are on a journey to develop and deploy innovative, scalable and differentiated digital payment and trade finance solutions to support Africa's transactional modernisation journey. This is not only critical to ensure we can continue to serve our clients' evolving needs and offer exceptional experiences but is also a crucial enabler of local and regional economic development.

While we will look to expand and diversify beyond our shores, we will remain firmly committed to fostering sustainable and inclusive development for Mauritius. Collaboration between the public and private sectors and relevant regulatory and legislative bodies will be critical if we want to achieve any significant positive impact. As one of Mauritius' largest corporate players, I would like to see us continue leveraging our scale to encourage innovation and collaboration.

We cannot achieve these broad aspirations without a future-ready, talented, engaged, diverse and inclusive workforce. We are on a journey to develop highly skilled resources, supported by the launch of our new MCB Career Architecture, which outlines a roadmap for our employees' professional and personal development. While still in its early stages, our culture alignment journey will be fundamental to building an innovative, dynamic, high-performance culture. As we look to the future, these initiatives will enable us to develop the capacity and resilience we need to deliver on our key business and sustainability objectives.

Any closing remarks?

It is an incredible privilege for me to be appointed as the Chief Executive Officer Designate of MCB Ltd. Our operations and business lines are robust and are supported by an incredible depth and wealth of diverse talent across the organisation. On a personal note, I would like to thank the Board, the executive and management teams, and all our employees for their trust in me. I am immensely honoured and firmly committed to MCB's long-term success.

Guided by Success Beyond Numbers, I believe we are well-positioned to excel in the year ahead, driven by a purpose that responds to everyday challenges while addressing environmental and social concerns. We have a wonderful opportunity to work together to build a more sustainable and inclusive economy that protects our environment for future generations. This is the future we want to create, and our clients and stakeholders can rest assured that we will continue to do our best to bring about positive and impactful change.

Thierry Hebraud
Chief Executive Officer Designate
MCB Ltd

A short message from our Chief Executive Officer, Alain Law Min

Reflecting on your tenure as Chief Executive Officer, what are you most proud of regarding MCB's sustainability achievements?

We have been a fundamental partner to Mauritius' socio-economic development for nearly 185 years by playing an active role in diversifying the country from a mono-crop economy to one with new sectors such as textiles, manufacturing, tourism, financial services, and information and communication technology. Our support was critical to ensuring the sustainability of Mauritius, its economy, and its society.



In many ways, our success is intimately linked to the success of the country and its people. As Mauritius' oldest and largest banking institution, I believe it is fair to say it is our duty to play our part in ensuring our nation's long-term prosperity.

This guiding belief led us to develop and reinforce our sustainability engagement as encapsulated in our purpose, Success Beyond Numbers. Our purpose demonstrates our understanding that doing good for our communities and the environment is ultimately good for our business. It further sets out how we will grow as an organisation while helping the country succeed.

Looking at our first pillar, 'Vibrant and sustainable local and regional economies', our journey so far has been impressive. We started to achieve real momentum after launching 'Lokal is Beautiful' in 2019, which aimed to inspire local entrepreneurs to explore avenues in order to build a prosperous and resilient Mauritius. This was accompanied by digital payment solutions, such as MCB Juice and MCB Juice Pro, which helped strengthen value chains and propel small businesses.

As a matter of fact, this year we celebrated the ten-year anniversary of the launch of MCB Juice, which we have continued to refine and develop over the years to ensure that more and more people can benefit from safe, relevant and affordable financial services. At MCB, we believe that Mauritius is a nation of entrepreneurs. Humbly, I think our actions in recent years have heightened this entrepreneurial spirit.

The reason for our second pillar, 'Our environmental and cultural heritage', is clear. Across the globe, we are witnessing an increase in extreme weather conditions displacing entire communities and resulting in millions of climate refugees. As a small island state, Mauritius is vulnerable to severe climate events, and we are conscious of our country's fragility. At MCB, we have long recognised the need for all stakeholders across the different sectors – the public and private sectors and the civil society – to work together, if we are to have a significant impact.

In 2020, we hosted our first 'Klima' conference and commissioned a study, 'Klima Neutral 2050'. This was the first major step in creating collective awareness of what is needed to confront the climate crisis. This year, we hosted 'Climate Week', which comprised various activities to mobilise stakeholders on climate change mitigation and adaptation.

Another highlight was the launch of 'Deba Klima', a debate contest for students that aimed to raise awareness and to integrate the young generation in the fight against climate change.

Through these and other initiatives, I believe we are seeing a 'ripple effect', with more and more stakeholders coming together to deliver on the vision of transitioning Mauritius to a low-carbon economy. We are 'walking the talk' and have significantly progressed in developing our sustainable finance framework and climate transition journey. You can read more about these initiatives in this report.

Our third pillar, 'Individual and collective well-being', has been a demanding but rewarding journey. The pandemic challenged our notions of work-life balance and forced us to reflect on the kind of workplace we want to create for our employees.

Highlights in recent years include introducing flexible working arrangements, extending paternity and maternity leave, and setting ourselves a bold target to reach 40% of women in middle and senior management positions by 2026. We believe all of these initiatives are crucial to promoting the broader participation of women in the economy, which is vital to drive innovation, productivity, and overall economic prosperity.

What are your thoughts on the progress made to integrate sustainability into MCB's corporate culture over the years?

When we launched Success Beyond Numbers, we ambitioned to have our employees embrace sustainability in their ways of working. However, we knew that this would not happen overnight. We needed to make sustainability relevant for our people. We started with a small team that worked tirelessly to embed our three pillars in key business units where we believed they could gain traction. From there, we took gradual steps to create even greater alignment between our corporate sustainability engagement and the mindset and behaviours of our employees. These steps included, for example, setting up cross-functional task forces, investing in sustainability-focused employee training and development, and kickstarting culture alignment projects that integrate sustainability into how we operate, serve our clients and design our products. While we have seen pleasing momentum, we are not there yet. I believe there is an opportunity to move towards an even wider and deeper integration of sustainability into our corporate culture.

What should MCB's key sustainability priorities be in the year ahead?

Guided by Success Beyond Numbers, we have laid a solid foundation to achieve our sustainability goals. One area where I believe we can do more is in measuring and demonstrating the impact we are making across our three

pillars. We need to develop a clear set of performance indicators that we can track to ensure we are focusing on the right things and delivering the desired results. We have started this journey, which is critical in keeping us honest about our successes and failures and helping us achieve our goals. I believe MCB should also continue to drive a sustainability ecosystem that incorporates employees, the public and private sectors, and communities. No one should be left behind as the organisation progresses.

How would you like to see MCB positioned along its sustainability journey in the next five years

Sustainability will increasingly become an area of competitive advantage and a significant growth engine for companies that understand how to capitalise on opportunities while mitigating risks. At MCB, we are committed to making progress leaps in our sustainability journey having built a solid foundation so far. I would like to see the organisation leverage its position to drive meaningful and impactful innovation that benefits the environment, communities and the economy.

As an increasingly active regional player, I also believe that there is an opportunity for MCB to drive our sustainability philosophy in the other countries where we operate. In five years, I hope to see MCB recognised regionally, and even across the continent, for our commitment to environmental and social prosperity and resilience.

Any other closing remarks?

From humble beginnings, we have made great strides. A lot of the credit for our success must go to the team led by Vanessa, to sponsors of our different sustainability-related projects, and to each and every employee who contributed in their own way to ensuring that MCB Group lives its purpose to the fullest and delivers Success Beyond Numbers.

Our success extends beyond the organisation. I thank our broad set of stakeholders for their efforts and willingness to mobilise on critical issues for the benefit of Mauritius and the region.

Looking back on my tenure as Chief Executive Officer of MCB Ltd, I can only be optimistic about the future. I am incredibly proud to have been one of the main sponsors of Success Beyond Numbers since inception and it is immensely gratifying to see sustainability gaining momentum across every facet of the organisation and the country.

I look forward to watching MCB progress to new heights as the country and the region advance on this important sustainability journey.

Alain Law Min
Chief Executive Officer
MCB Ltd



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Our sustainability approach and material matters

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

The following guide our sustainability approach:

United Nations Sustainable Development Goals (SDGs)



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

United Nations Global Compact (UNGC)



We became a participant to the UNGC in 2008. The UNGC is a pact encouraging businesses and firms worldwide to adopt sustainable and socially responsible policies. We are committed to complying with the Ten Principles of the UNGC. Read more about our compliance with these principles throughout our report.

The Equator Principles



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

Read more about our environmental and social risk management approach on page 36.

United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking (PRB)



MCB Ltd became a signatory to the UNEP FI PRB in 2019. These principles provide a framework to ensure that our strategy and business practices align with the visions set out by the SDGs and the Paris Climate Agreement.

To ensure consistency and transparency of our disclosures, our PRB report underwent an assurance audit this year.

Our self-assessment against the UNEP FI PRB is available in the Additional Information section.

We identified our material sustainability risks and opportunities based on the outcomes of several key analyses.

In 2019, we conducted an external materiality analysis using information from Datamaran Artificial Intelligence-powered analysis¹, which highlighted the most salient regional and sectoral sustainability risks and opportunities tackled by MCB's peers in their sustainability reporting. This enabled us to review our internal priorities using an external lens.

We combined the outcome of the above results with Gapframe, a recognised global framework that translated the SDGs into national priorities for Mauritius. Using Gapframe we identified a set of local sustainability priority risks and opportunities that included climate-related financial risk, biodiversity, ocean preservation, sustainable local production, corporate governance, social integration and innovation.

¹ Datamaran is a software solution for non-financial risk management. The software tracks 100 non-financial topics by sifting and analysing millions of data points from publicly available sources, including corporate reports (financial and sustainability reports and Securities and Exchange Commission filings), mandatory regulations and voluntary initiatives, as well as news and social media.

This analysis allowed us to identify a set of priority sustainability risks and opportunities that we clustered under the three pillars of our sustainability strategy. We detail these pillars and outline our sustainability risks and opportunities per pillar from page 36. Last year we undertook a high-level, independent review of our material sustainability risks and opportunities. The purpose of this review was to identify any new matters that may be necessary to consider as part of our sustainability disclosures as well as to assess our current disclosure to identify any improvements or refinements.

Our material sustainability topics remained relevant for 2023.

It is important to note that for each material sustainability topic, the Group has direct and indirect socio-economic and environmental impacts. Direct impacts result from daily internal operations. Our products and financing activities cause indirect impacts and are generally more significant.

Our material sustainability topics further include the significant ESG risks and opportunities affecting our business and future cash flows, as well as the significant impacts of our business activities on the economy, society and the environment.

As we recognise that sustainability risks and opportunities are evolving rapidly, alongside growing complexity with regards to sustainability disclosure guidance, we will revisit our reporting approach and materiality assessment in 2024. Our aim is to ensure greater alignment with the Bank of Mauritius Guideline on Climate-related and Environmental Financial Risk Management (which is closely aligned with the recommendations of the Task Force on Climate-related Financial Disclosure and IFRS Sustainability Standards S1 and S2), including considering 'double materiality'.

Our sustainability strategy

Our sustainability strategy is rooted in our company's purpose, Success Beyond Numbers, and articulates our commitment to be a responsible organisation and a contributor to the economic development of the countries in which we operate. We deliver on our purpose through three sustainability pillars, which are underpinned by our commitment to strong corporate governance and ethical conduct.

The three pillars of our sustainability strategy, underpinned by our commitment to strong corporate governance and ethical business practice:



SUCCESS BEYOND NUMBERS

Vibrant and sustainable local and regional economies

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



Key progress made during the year:

- Revamped our 'Lokal is Beautiful' loan scheme to ensure it meets the needs of a wider range of entrepreneurs.
- Launched Punch Meets, creating opportunities for entrepreneurs to collaborate and share ideas to support local economic development.
- Our dynamic Punch platform achieved 100% year-on-year growth in its customer base, 5% increased usage in products and services, and gained 'Made in Moris' certification.
- Invested in the Katapult Mauritius Accelerator to help local entrepreneurs and international start-ups focusing on regenerative food and agritech solutions for Africa.
- Launched new products and services to support local entrepreneurs, including a Business Debit Card and new all-in-one payment solution, Pay+.
- Ran awareness campaigns on digital banking fraud detection and prevention in all retail branches.
- Continued to improve our customers' experiences by monitoring our Net Promoter Score and Customer Satisfaction Score.

Our environmental and cultural heritage

- Responsible finance that supports environmental sustainability
- Managing our direct environmental impacts
- Environmental and cultural impact partnerships



Key progress made during the year:

- Reviewed our governance structures and established a task force with dedicated streams pertaining to climate risk and our local, regional and international sustainable finance strategy.
- Hosted 'Climate Week' and organised various activities attended by our clients, employees and leaders – reaching approximately 550 stakeholders.
- Launched the 'Deba Klima', a debate contest for local secondary schools that invited students to present arguments on various topics related to climate change.
- Consolidated our sustainable financing offer with the launch of the MCB Sustainable Loan and the Sustainable Supply Chain Finance.
- Increased our dedicated credit line from Rs 5 billion to Rs 10 billion this year and developed a green taxonomy to guide our financing activities for local sustainable projects.
- Pursued our efforts to reduce our operational footprint.
- Continued to engage in impact partnerships across Mauritius to deliver meaningful positive environmental and cultural impact.
- Remain proudly invested in local arts and cultural enrichment and entertainment.

Individual and collective well-being

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



Key progress made during the year:

- Launched our new MCB Career Architecture to support our employees' professional and personal development.
- Developed our 'Shared Ways of Working' which comprise a set of behaviours that MCB believes are important to create trust internally and externally.
- Progressed our gender equality and workplace diversity agenda.
- Continued to provide training and development opportunities to employees to support key areas of people development.
- Conducted various activities to promote employee well-being, including wellness roadshows and mental health awareness sessions, among others.
- Pursued support to our communities through the MCB Forward Foundation, and reviewed our community strategy to ensure it is aligned with the SDGs and Mauritius' local development agenda.
- Celebrated the 15-year anniversary of the MCB Football Academy.

Responsible behaviour

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



Key progress made during the year:

- Extension of scope of application of financing at MCB beyond the Equator Principles methodology baseline for a more stringent environmental and social due diligence.
- Made progress on developing our sustainable finance framework, including reviewing our governance structures, setting up a transition task force and identifying three key workstreams.
- Established a Central Sustainability Office to assist with driving our sustainability initiatives in line with Success Beyond Numbers.
- Made significant progress in enhancing our approach to risk management and compliance across the Group, including all subsidiaries.
- Undertook various anti-bribery, corruption, fraud and anti-money laundering training and awareness campaigns across the Group.

Our governance approach to sustainability

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

We recognise that effective governance is a key success factor in executing our corporate sustainability engagement. This year, we further enhanced how we govern sustainability by developing a Central Sustainability Office (CSO). The CSO performs a cross-functional role across the Group, working alongside various departments to provide advice and guidance on sustainability matters and to assist with driving the implementation of our sustainability initiatives in line with Success Beyond Numbers. The CSO also consolidated the team by recruiting three additional members in the Content and Reporting, ESG and Climate, and Initiatives and Impact functions.

We reinforced collaboration among the CSO, Risk SBU and Corporate and Institutional Banking (CIB) SBU. Alongside elevating sustainability at Group level, other changes include integrating environmental and social risk management within the Credit Management BU and Climate Risk Management (CRM) within the Financial Risk BU, which sits under our Risk SBU. We also created an ESG BU within the CIB SBU. We unpack our governance approach to sustainability below:

Board of Directors

The Board of MCB Group is the ultimate custodian of governance across the Group. It provides effective leadership in formulating and delivering the Group's strategy within a robust risk management framework and sound internal controls. The Board ensures that the Company and its subsidiaries adhere to relevant legislation, policies and norms, including ESG and sustainability principles.



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

Corporate Sustainability Committee (CSC)

The CSC is a sub-committee of the Remuneration, Corporate Governance, Ethics and Sustainability Committee that assists the Board of MCB Group Limited with discharging its duty to monitor the progress of our sustainability engagement. It assesses all aspects of sustainable development and ensures we implement relevant and appropriate strategies. The CSC met three times this year. During the year, we reviewed the composition of this committee. Jayananda Nirsimloo was appointed committee Chairman, and the Group and Bank Chairpersons joined the committee.

Key topics discussed during the year:

- A recap of our sustainability strategy
- Approval of structural and organisational change, namely the positioning of the CSO
- Sustainability priorities for the financial years 2024-2027

Sustainability Strategic Council (SSC)

The SSC ensures that proposed initiatives are aligned with the objectives of our sustainability agenda and approves the budget for their implementation. The SSC's composition was reviewed this year and comprises the Chief Executives (Bank and Group), Heads of SBUs and the CSO. The SSC met twice during the year.

Key topics discussed during the year:

- Progress on MCB Group's ESG learning programme
- Progress on the Group's gender equality initiatives, including a guideline to ensure a gender balanced shortlist of candidates and the onboarding of more women in committees
- Discussion on the feasibility of developing an impact fund by the Business Banking line
- Validation of the sustainable finance framework

Central Sustainability Office

Established this year, the CSO is responsible for developing and driving the implementation of the Group's purpose. The CSO reports to the Head of Communication and Corporate Sustainability, who in turn reports to the Group CEO.

ESG Business

Created this year, the ESG Business role is responsible for identifying opportunities to leverage the business potential of ESG and related sustainability imperatives. This function lies within the CIB SBU at MCB Ltd and recruitment is underway to fill this seat. In the interim, the CSO and Environmental and Social Risk Management (ESRM) functions are working collaboratively to ensure business continuity.

ESG Risk Management

ESG Risk Management manages ESG-related risks in our financial activities, including climate-related risks. During the year, we strengthened ESG risk management by incorporating our ESRM function into our Risk SBU. Read more about this on page 38.

Climate Risk Management

Also created this year, the Climate Risk Management function sits with the Financial Risk BU and reports to the Head of Financial Risk. This function is responsible for driving the integration of climate-related risks into the Bank's risk management framework, which is also in line with the Bank of Mauritius Guidelines.

Moving forward on our sustainability journey

We continue to make significant progress on our sustainability journey.

2008

MCB became a participant to the UNGC's Ten Principles

2010

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

2014

Signed our second credit line as a participating bank, contributing towards the EUR 60 million with AFD (SUNREF)

2017

Signed our third credit line as a participating bank, contributing towards the EUR 75 million with AFD (SUNREF)

Launched Initiative 175 aimed at fostering environmentally-friendly practices
Partnered with the Agence Française de Développement (AFD) to finance development projects under its green finance label SUNREF (Sustainable Use of Natural Resources and Energy Finance)
Signed our first credit line of EUR 40 million as a participating bank

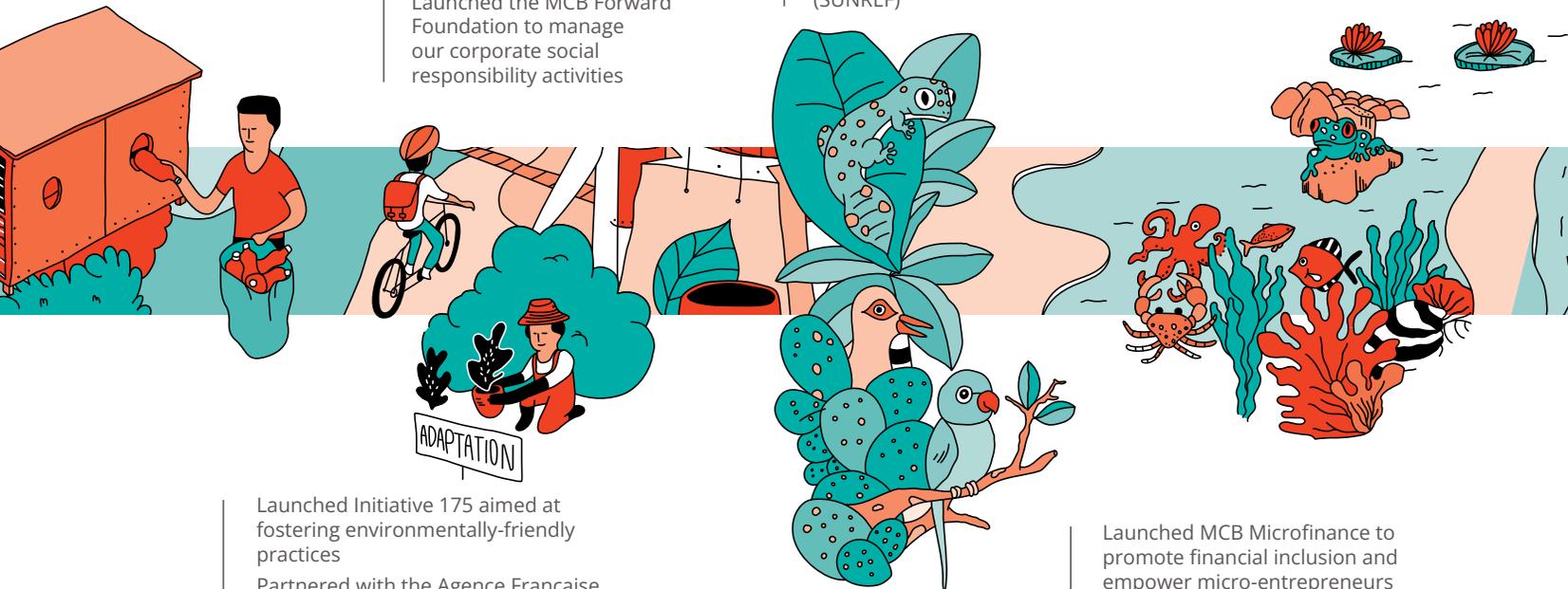
2009

Adopted the Equator Principles

2012

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

2016



2019

Adopted the GRI Sustainability Reporting Standards
 Launched our 'Lokal is Beautiful' initiative
 Partnered with the Mauritian Wildlife Foundation (MWF)
 Became a signatory to the UNEP FI PRB
 Identified 11 priority SDGs in support of the 2030 Sustainable Development Agenda

2021

MCB Madagascar signed its first credit line of EUR 6 million with AFD (SUNREF)
 Launched our online platform Punch to connect entrepreneurs
 Launched our GreenDrive loan scheme
 Invested in Livelihoods Carbon Fund 3, an impact investment fund focused on financing large-scale projects
 Established MCB Group's Gender Equality Charter
 Joined the UNGC Climate Ambition Accelerator programme in line with the Paris Climate Agreement

2023

Launched the sustainable finance framework in March 2023
 Launched the Sustainable Loan and Green Taxonomy in March 2023
 Launched the first Sustainable Supply Chain Finance to the tune of USD 10 million
 Signed the National Corporate Governance Charter in July 2023
 First edition of 'Deba Klima', a student debate contest focused on climate change and its impacts
 Submission of MCB's roadmap for climate-related and environmental financial risk management framework to Bank of Mauritius
 Organisational and structural changes for integration of sustainability within the business



Launched our sustainability strategy Success Beyond Numbers

2018

Signed the Gender Diversity Charter of the Africa CEO Forum - Women working for change
 Published our 'Klima Neutral 2050' study
 Became a founding member of the UNGC Network Mauritius
 Commissioned 'Lokal Rebound' study
 Launched Green Lease

2020

The Bank started the implementation of the Guideline on Climate-related and Environmental Financial Risk Management published by the Bank of Mauritius for financial institutions

2022

Stakeholder engagement

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

Alignment with the SDGs, UNGC, UNEP FI PRB



Principles 3, 4

Our proactive stakeholder engagement model informs and guides our actions and behaviours. We embrace an integrated vision that aims to solidly contribute to and meet the needs and expectations of our valued stakeholders. The Group has a well-established governance and operational framework to ensure that stakeholder engagement is managed transparently, and in alignment with international practices and regulatory stipulations. We regularly keep stakeholders informed about the Group's business and strategy through various channels. Their views and concerns, gathered through ongoing dialogues, meetings and surveys, help shape our strategic priorities and guide our initiatives.

For more information on stakeholder engagement, refer to MCB Group's Annual Report.

Our key stakeholders



Shareholders and Investors

~22,700

Ordinary shareholders

(FY 2022: ~22,300)

Rs 77.2 billion

Market capitalisation on Stock Exchange Mauritius

(FY 2022: Rs 74 billion)

Rs 20.25

Dividend per share

(FY 2022: Rs 13.90)

~2,700

Preference shareholders and bondholders

(FY 2022: ~3,900)

Baa3

Moody's Investors Service long-term bank deposit rating for MCB Ltd

(FY 2022: Baa3)



Customers

~1,180,800

Overall customer base

(FY 2022: ~1,145,000)

Rs 368 billion

Customer loans

(FY 2022: Rs 340 billion)

Customer Satisfaction (CS)¹

Retail Banking

CS: 84

Business Banking

CS: 76

Private Wealth Management

CS: 81

Corporate and Institutional Banking (Mauritian and Regional Corporate unit)

CS: 75

Rs 587 billion

Customer deposits

(FY 2022: Rs 519 billion)

~70

Financial institutions serviced as part of our Bank of Banks initiative

(FY 2022: 50)

¹ Figures related to MCB Ltd.

Note: figures are as at 30 June 2023.



Authorities and Economic Agents

30%

Domestic loans as a share of GDP for Mauritius

(FY 2022: 28.3%)

12%

Share of domestic credit to corporates in Seychelles

(FY 2022: 38.5%)

Rs 2,277 million

Tax paid for MCB Ltd

(FY 2022: Rs 2,060 million)

3,832

Reports sent to the Bank of Mauritius during FY 2022/23 for MCB Ltd

(FY 2022: 4,312)



Societies and Communities

5%

Electricity sourced from our in-house solar system

(FY 2022: 5%)¹

Rs 4,353 million

Local procurement spent

(FY 2022: Rs 3,695 million)¹

Rs 73 million

Spent by MCB Forward Foundation for environmental and social community projects

(FY 2022: Rs 64 million)

16,165 tonnes

CO₂-eq carbon emissions produced in 2022

(2022: 15,011 tonnes CO₂-eq.)

Scope 1, 2, 3 (Business Travel and Commuting only)



Employees

31%

Women in middle and senior management

(FY 2022: 29%)¹

92%

Employee retention rate

(FY 2022: 95%)

16%

Employee hire rate

(FY 2022: 11%)

53%

Percentage of female employees

(FY 2022: 52%)

Rs 5.9 million

Salaries and benefits paid to employees

(FY 2022: Rs 5 billion)

Rs 69 million

Investment in employee training and development

(FY 2022: Rs 48 million)

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

¹ Figures related to MCB Ltd. Note: figures are as at 30 June 2023.



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Responsible behaviour is fundamental to secure our stakeholders' trust. Over the years, we have embedded corporate policies and procedures complying with rules, relevant regulations, and codes of conduct to ensure a strong ethics culture. Our corporate values are critical in shaping strategy and we continue to engage employees to promote ethical business practices.

Alignment with the SDGs, UNGC, UNEP FI PRB



Principle 10

Principle 3

Environmental and Social Risk Management

We are committed to positively supporting the sustainable development of the countries where we operate by continuously improving environmental, social and governance standards.

The Group faces indirect environmental and social risks and impacts through its financing activities. We seek to mitigate these risks and impacts by allocating capital to sustainable projects and adopting business practices that support broader societal goals.

To promote sustainable practices in our financing activities, MCB Ltd has been a voluntary signatory of the Equator Principles since 2012. The Equator Principles is a risk management framework used to assess environmental and social risks in financing activities. The Equator Principles provide the guiding principles of our Environmental and Social Risk (ESR) Policy, which articulates how we manage and govern the environmental and social risks associated with our lending activities. Additionally, we require clients to adopt mitigating measures for addressing potential or actual adverse risks and impacts during the project development lifecycle. We closely monitor the progress of mitigating actions (if any), and environmental and social performance of the facilities.

This year, we continued to align our ESR Policy with the Equator Principles and considered the guiding principles in our due diligence processes. We further assessed our operating context and identified opportunities to strengthen our position as a responsible and prominent bank in Mauritius.

Additionally, we reviewed our governance structures and integrated the ESRM function into our Risk SBU. We accordingly updated our ESR Policy to reflect the change in structure and credit cycle. We strengthened the Policy's scope of application to address emerging environmental and social risks for an enhanced and holistic credit approval process. To support this, we embedded our ESRM process across our credit chain and are conducting awareness sessions with key stakeholders. All governance-related risks continue to be overseen by our Compliance SBU.

We provided ESRM training to 96 colleagues during the year. The training focused on raising awareness on the ESR policy and the ESRM processes, emphasising the roles and responsibilities of people involved in the process.

Projects financed from July 2022 to June 2023 that required an ESRM process

22 Category A	9 Category B	15 Category C
<p>Sectors: Oil & Gas, Power and Infrastructure, Hospitality, Renewable Energy and Property Development</p> <p>Geographies: Mauritius, Africa and Maldives</p>	<p>Sectors: Manufacturing, Property Development, Telecommunication, Scientific Research and Development</p> <p>Geographies: Africa and Mauritius</p>	<p>List of sectors: Private Equity, Property Development, Telecommunication and Others</p> <p>Geographies: Africa and Mauritius</p>

Category A indicates projects with potentially significant adverse and irreversible environmental and social impacts.

Category B denotes projects with potentially limited adverse but largely reversible environmental and social impacts.

Category C designates projects with minimal or no environmental or social impacts.

 [Read more about our responsible financing strategy and approach to financing coal, oil and gas on page 72.](#)

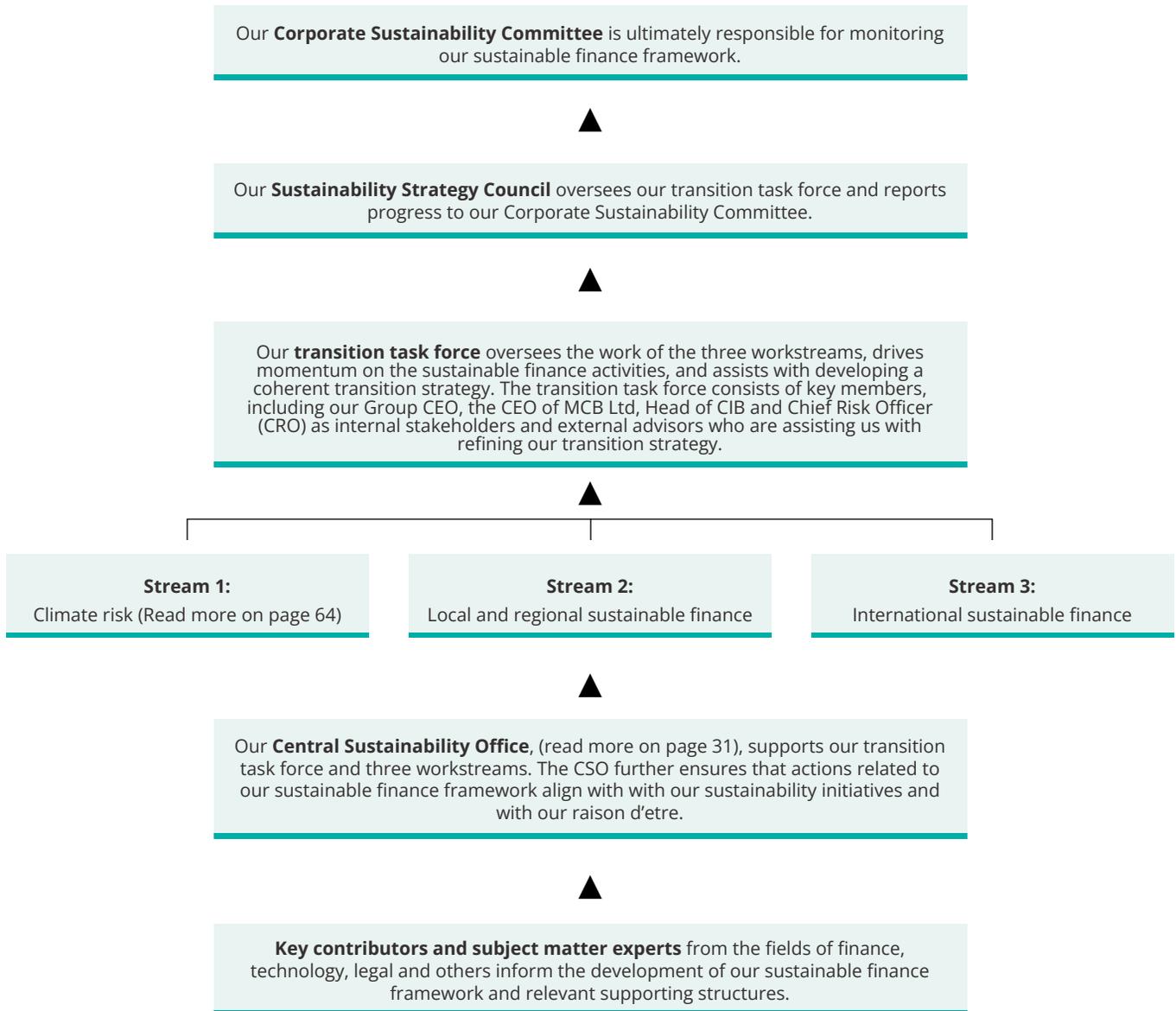
Integrating sustainability into our products and services

We are creating a sustainable offering of financial products and services in line with our sustainable finance framework. We believe this is an important growth driver and will accelerate the transition towards a more inclusive, socially responsible and climate-friendly economy.

In December 2021, we appointed a leading global bank and investment services provider to provide practical advice and guidance on key areas, including sustainable finance products, transition finance, climate risks, ESRM and governance.

We received a set of recommendations to develop our sustainable finance framework and made progress against the recommendations during the year. These recommendations included reviewing our existing governance structures, setting up a transition task force committee to advise on our transition journey, and identifying three key work streams to guide our actions and investments.

As a cross-cutting framework, the UNEP FI Principles for Responsible Banking provides guidance on crafting a roadmap to establish a transition strategy that includes ESG aspects. Additionally, our sustainable finance framework is based on international frameworks and standards around green loans/sustainability-linked loans such as the International Capital Market Association's Green Bond Principles and the Climate Bonds Initiative.



Another significant milestone this year was developing a green taxonomy, developed as per ICMA and other international standards and frameworks, to support and provide guidance on our sustainable financing offer, the MCB Sustainable Loan. These documents set the criteria for how we define environmentally sustainable financing and guides the development of green financing products. Our existing Rs 5 billion credit line has been extended to Rs 10 billion. Some projects based on specific social criteria are also considered.

As we look to the year ahead, our priorities are to:

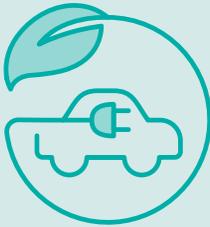
- Enhance the eligibility criteria of the green taxonomy.
- Develop a social taxonomy.
- Continuously improve our sustainable finance framework and investigate the development of client-focused sustainable finance products.

MCB Sustainable Loan provides financing for a variety of ESG projects as per the taxonomy below:



Energy Transition: Efficiency

Low-carbon technologies, energy efficient equipment or buildings, energy management, etc



Clean transportation

Clean energy vehicles use, production and services



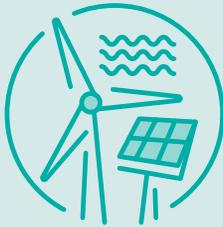
Green buildings

LEED, EDGE or BREEAM certified buildings



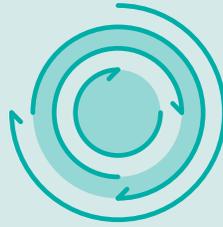
Terrestrial and aquatic biodiversity conservation

Coastal protection, beach rehabilitation



Energy Transition: Renewable

Electricity generation, transmission, equipment production



Eco-efficient and/or circular economy adapted products, production technologies and processes

Environmentally sustainable products (eco-label or design) and packaging, and the distribution of locally manufactured products



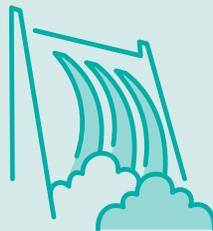
Sustainable management of living natural resources and land use

Smart agriculture or aquaculture, reforestation, import substitution



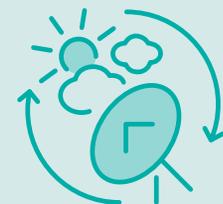
Pollution prevention and control

Emissions control, waste management, efficient waste to energy, circular economy



Sustainable water and wastewater management

Clean drinking water, wastewater management, storm-water management, etc



Climate change adaptation

Early warning systems (Radar), IT systems for weather, etc

Business ethics

A strong ethical culture that ensures that we act responsibly and enables us to build trust and strengthen our stakeholder relationships.

The Remuneration, Corporate Governance, Ethics and Sustainability (RCGES) Committee oversees our approach promoting an ethical business culture across the organisation. Our Code of Ethics, corporate policies and relevant laws and regulations provide robust internal controls.

 *Our Code of Ethics is available on our website.*

Our employees play a vital role in maintaining the Group's reputation and contributing to responsible governance. We foster employee awareness regarding ethics and the associated policies through the following:

- Induction training for new recruits.
- Regular tailored sessions for middle and senior management and directors.
- A comprehensive induction programme for new directors joining the Group.

In August 2023, we made a significant structural change to enhance the Group's approach to risk management and compliance across all our subsidiaries. We elevated the Chief Risk Officer and Head of Compliance to Group level to provide a Group-wide, integrated, holistic and coherent approach to risk identification and risk management according to a unified framework that aligns processes and creates a more efficient and effective system. Moreover, the Group Head of Compliance relays information on key changes in our ethics awareness process and regularly announces any changes to our compliance checklists, policies and procedures. Looking forward, we will be able to report on our subsidiaries' approach to business ethics.

During the year, we continued to build on the 'Confidentiality' training and awareness campaign launched in 2022.

New recruits now undertake confidentiality training as part of their induction process, and we carefully monitor this training to ensure completion. This training is critical to ensure all employees understand the importance of preserving confidential information about our clients, stakeholders and business operations.

The Group remains committed to conducting its business ethically, responsibly, and in compliance with all applicable legislation, regulation, adopted industry codes and standards, and adhering to all internal policies and sound corporate governance principles.

 *Read more about our policies on our website.*

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

Prevention of bribery, corruption, fraud and money laundering

We integrate anti-bribery, corruption, fraud and money laundering strategies into our organisation, ensuring we comply with relevant legislation and government initiatives.

Our **Anti-bribery and Corruption Policy** outlines what we expect from our employees regarding integrity-based business practices. This policy helps to ensure we avoid improper or illegal conduct and encourages ethical behaviour when providing financial services to our customers. No incidents of bribery or corruption were reported during the financial year.

We regularly advise our clients on fraud prevention via the Group's website, mailing system and communication campaigns. We closely monitor any applications or requests associated with or suspected of fraudulent activity. During the year, we updated our **Fraud Policy** and launched an awareness campaign to ensure that employees have read, understood, and agreed to abide by the Policy. Managing compliance risk and complying with the relevant rules and standards in personal and business conduct is the responsibility of every MCB employee.

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

During the year, we undertook various anti-bribery, corruption, fraud and money laundering training and awareness campaigns across the Group. These include:

- Training on Anti-Money Laundering, Counter Terrorism and Proliferation Financing assigned to all employees, including directors across the Bank to better equip them with current knowledge and trends in the AML/CFT space.
- Customised training courses across the business lines as part of awareness campaigns and inductions to effectively mitigate compliance risks.
- Awareness training with employees from MCB Rodrigues to encourage a fraud awareness and risk mitigation culture.
- On-the-job training for graduates to help them understand and identify high-risk banking activities.
- 24,756 refresher emails sent to existing and new customers across Retail, Business Banking, and Private Banking and Wealth Management. These emails will help instil a more robust risk culture within their businesses and operations.
- 2,688 employees reached by an anti-fraud awareness campaign. The campaign provided training on financial crime trends and challenges and how to identify 'red flags' and mitigate risks to protect the Group and our customers.
- A public fraud awareness campaign that we broadcast on radio and via various social media platforms.
- A fraud awareness session at MCB Madagascar.

Customer privacy and information security

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

We comply with the national Data Protection Act 2017 and the European Union General Data Protection Regulation, and have an internal policy on Handling of Confidential Information. Our Information Security Policies includes the terms and conditions governing personal data and processing. These policies are available on our website and inform our diverse stakeholders about the importance of safeguarding data.

The Group emphasises the confidentiality, integrity and availability of information. We maintain a robust framework to uphold the security and performance of information and Information Technology systems. The Board regularly reviews relevant policies and ensures they are appropriately implemented through adequate structures and processes.

During the year, we also enhanced our approach to cyber security:

- We undertook regular independent penetration tests and vulnerability assessments by leveraging external expertise, as appropriate.
- We implemented new innovative tools and solutions including Network Access Control (NAC), Security Information and Event Management (SIEM) and Endpoint Detection and Response (EDR).
- We contracted a dedicated person to oversee the Group's Information Security Office and conducted awareness campaigns on cyber risk as part of our risk culture programme.
- We continuously monitor cyber security events through various control systems, including our Security Operations Centre.

- We continued to enhance our cyber security maturity by reviewing policies related to cyber and technology risk management and ensuring compliance with relevant regulatory requirements. This includes, for example, the new Guidelines issued by the Bank of Mauritius on Cyber and Technology Risk Management and on Use of Cloud Services.
- We enhanced our cyber response capabilities by delivering executable plans from Cyber Response Services providers.
- We ran regular security awareness training sessions, in particular simulated phishing attacks, to promote the adoption of best practices in terms of cyber security risk management.
- We increased staffing in the first and second lines of defence to better manage the increasing scope and complexity of cyber security threats.



More information is available in the MCB Group Annual Report.

Whistleblowing

We conduct all activities to the highest professional and ethical standards and in accordance with applicable laws and regulations.

Our **Whistleblowing Policy** enables our employees and stakeholders to report matters of concern, including potential breaches of laws, rules, regulations or compliance, without the risk of victimisation and discrimination. This policy is supported by a whistleblowing hotline, which the Compliance SBU manages. The hotline is a confidential, 24/7 whistleblowing service that operates 365 days a year.



Our Whistleblowing Policy is available on our website.

We ensure and continue to strengthen protection for whistleblowers so that there is no adverse consequence for any employee who reports a concern in good faith. If required, an independent panel investigates all incidents and complaints and reports these to the Audit Committee for remedial action.

For the year ending 30 June 2023:

0

Claims received through the Whistleblowing Hotline

(FY 2022: 0)

210

Suspicious internal transaction reports were investigated, out of which 170 were filed at the Financial Intelligence Unit

(FY 2022: 72)

175,097

Financial crime risk management alerts investigated and closed

(FY 2022: 129,564)

3,424

Number of fraud cases investigated

(FY 2022: 2,181)

Tax responsibility

MCB is among Mauritius' largest taxpayers and our tax contributions help generate public revenue that supports local economic and community development.

Our approach to tax emphasises ethical, responsible and transparent behaviour. We comply with all local legislation by continuously reinforcing existing controls, processes and reporting. The Group's risk management and internal control framework ensure we adequately manage tax risks while ensuring compliance with established internal policies and procedures and relevant laws and regulation. We promptly handle any assessments raised by tax authorities with due escalation to the Board via the Audit Committee.

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

Tax paid by the Group banking subsidiaries

Rs 2,277 million	Rs 84 million	Rs 64 million	Rs 184 million
MCB Ltd	MCB Madagascar	MCB Maldives	MCB Seychelles
(FY 2022: Rs 2,060 million)	(FY 2022: Rs 67 million)	(FY 2022: Rs 33 million)	(FY 2022: Rs 183 million)

Protecting human rights

In line with our commitment to comply with the Ten Principles of the UNGC¹, we integrate human rights throughout our value chain. We engage with our key stakeholders at all levels, including employees, customers, suppliers and the communities we serve, to mitigate any potential risks related to human rights.

**Our People**

- We provide a healthy and safe environment for our employees, visitors and customers and ensure compliance with internal policies, rules and applicable regulations, namely the Workers' Rights Act 2019 (Mauritius).
- Our employees have the right to freedom of association and collective bargaining.
- The Group has an Equal Opportunity Policy to promote diversity and inclusion, including gender equality, and a fair and robust remuneration philosophy to reward its employees.

**Our Customers**

- We conduct due diligence before undertaking any business transactions.
- Our ESR Policy provides guidance to identify and manage human rights risks in our financing activities.
- Complying with the Equator Principles also contributes to managing human rights.

**Our Suppliers**

- When selecting and working with suppliers, we consider human rights aspects.
- We undertake due diligence for suppliers according to applicable regulations.

¹ The UNGC principles were founded on the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

Our approach to fair and responsible remuneration

We promote fair and competitive remuneration that encourages performance and assists in attracting and retaining talent.

Our remuneration policy is based on meritocracy and ensures that we:

- Provide comprehensive protection against cost-of-living increases at the lower end of the income ladder.
- Promote fairness and equity throughout the organisation.
- Create opportunities for employees to benefit from the Group's financial results, including rewarding employees with an annual bonus based on their contribution to the Group's performance and for demonstrating behaviours in line with the Group's value. Employees have the added possibility of benefitting from a share option scheme.

Actions taken to promote fair and responsible remuneration during the year

- We reiterated our annual salary benchmarking exercise for all positions across the Group.
- We initiated a project to obtain 'Equal-Salary Certification'¹ to verify the fairness of pay between men and women across the Group.

Rs 50,747

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

Rs 39,274

National average monthly salary

Rs 61,795

Average monthly salary in finance and insurance activities in Mauritius



Priorities for the year ahead

- Review our Code of Ethics to ensure it remains fit-for-purpose and responsive to evolving local and international business standards. We will support this review with employee awareness campaigns and ongoing training and awareness sessions on ethics, whistleblowing, business conduct and confidentiality.
- Ongoing focus on preventing corruption, fraud and money laundering. This includes reviewing our Anti-bribery and Anti-Corruption Policy and ensuring continuous training on anti-money laundering and compliance for all employees.

¹ Equal Salary Certification: is a process that allows companies of all countries to verify and communicate that they pay their female and male employees equally for the same job or for a job of the same value. It is aimed at companies in all countries and across all industries with 50 or more employees (of which at least 10 are women) that are committed to closing the wage gap.

Actions taken by other subsidiaries to promote responsible behaviour:

MCB Seychelles

In response to the growing threat of cyber attacks, MCB Seychelles ran a cyber security awareness week to build employees' capacity to respond to these threats. Activities included training, real-life simulations and internal competitions alongside the use of posters and visual aids to remind employees to remain vigilant. MCB Seychelles also focused on reinforcing a culture of confidentiality by ensuring ongoing awareness and communication on this important topic across the various business units. MCB Seychelles is committed to tracking the impact of its various sponsorships and partnerships and identified an external service provider to assist the business with implementing a more measurable approach.

MCB Maldives

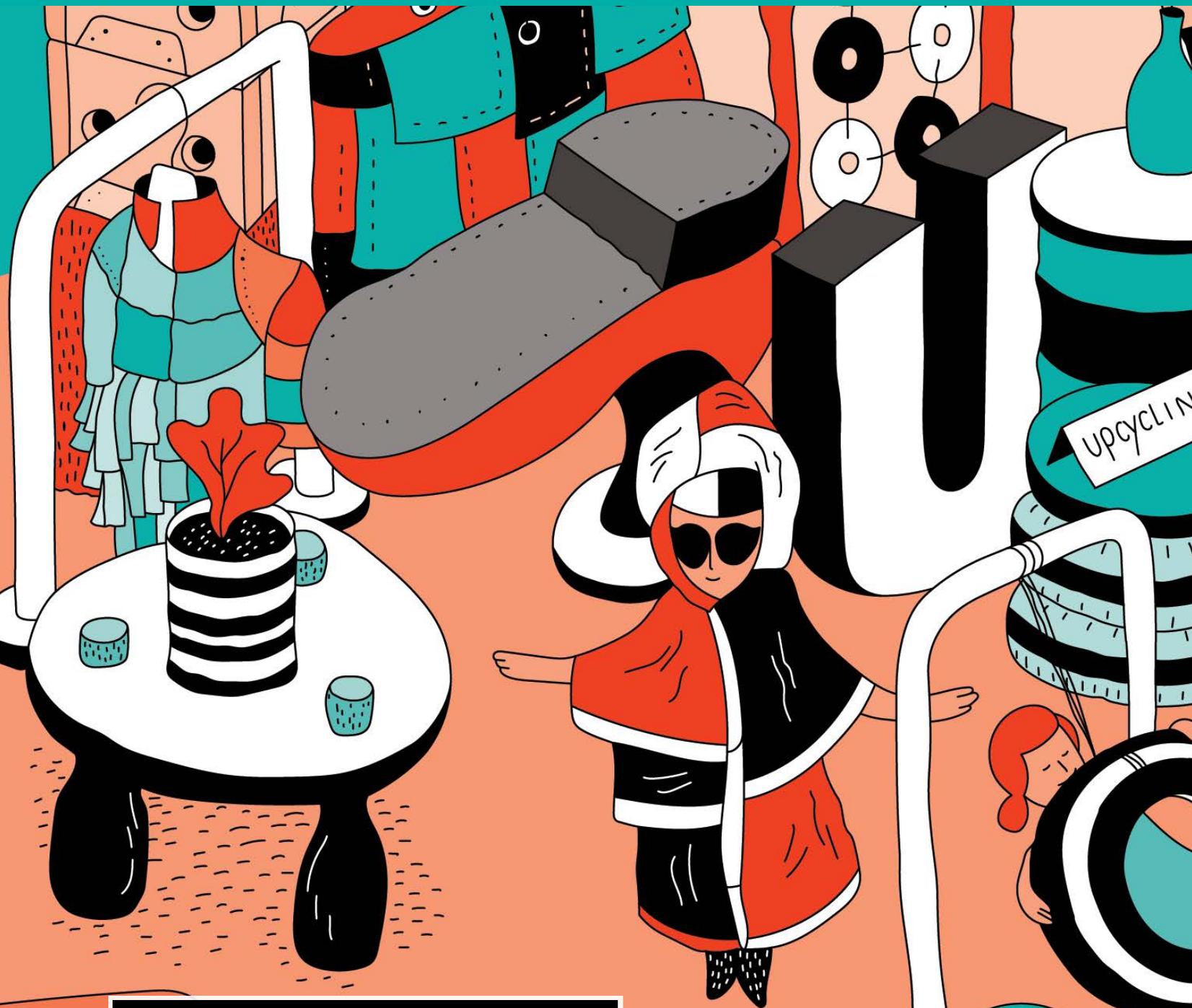
To reinforce ethical business practices, MCB Maldives bolstered its compliance function by recruiting a Compliance Executive.

MCB Madagascar

To strengthen oversight and accountability of sustainability within the business, MCB Madagascar created two new roles: a Deputy Director business position and a new position of Retail Director. MCB Madagascar continues to monitor operational and legal compliance. To strengthen its ethics culture, MCB Madagascar rolled out training and awareness campaigns related to the declaration of gifts received by employees. This was supported by ongoing quarterly awareness campaigns on various compliance issues and training on data security and cybercrime. In the year ahead, MCB Madagascar will focus on strengthening its risk culture, with a specific focus on compliance.

MCB Consulting

MCB Consulting continued to find opportunities to integrate sustainability into its internal business operations and investment decisions and support good governance practices, guided by six priority SDGs. An internal Sustainable Development Committee was established this year to strengthen oversight and management of sustainability. MCB Consulting renewed its ISO 9001 certification during the year under review. Key focus areas for the year ahead include establishing specific and measurable sustainability objectives for each business unit of MCB Consulting. This will be underpinned by a strong focus on improved data collection and analysis relating to MCB Consulting's environmental, social and economic impacts. MCB Consulting remains focused on developing specific skill sets related to sustainability and positioning itself as recognised and leading sustainability consulting firm.



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We aim to positively impact our local and regional economies by boosting local production and contributing to the socio-economic development of the countries in which we operate. We are increasing our efforts to foster entrepreneurship and innovation while ensuring our products and services support sustainable prosperity.

Alignment with the SDGs, UNGC, UNEP FI PRB



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



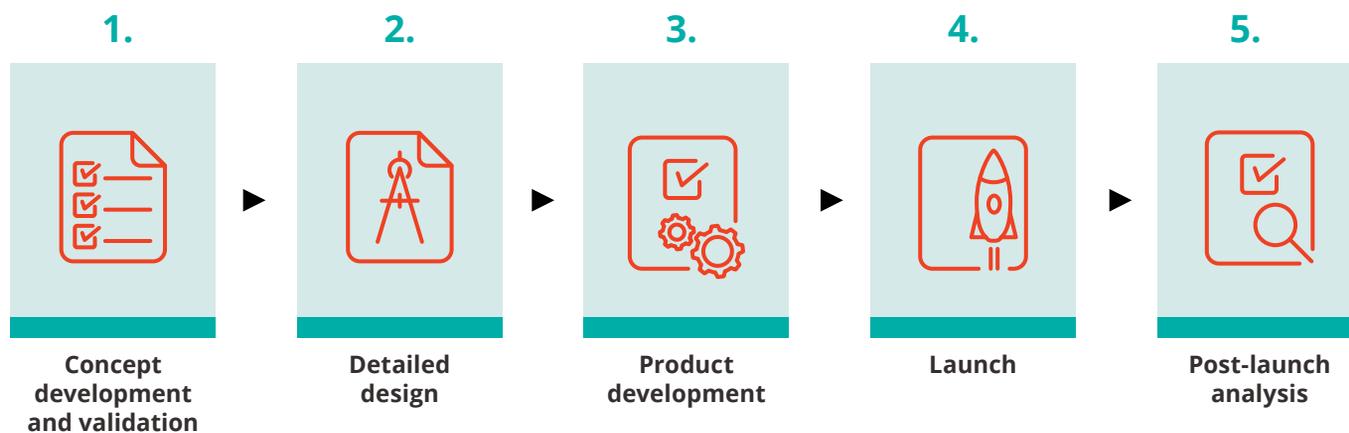
Principles 3, 4

Our approach to responsible product development

We believe that our products and services should positively impact our customers' lives and improve the strength and resilience of communities.

This year we have initiated a thorough review of our Product Development Policy, which we renamed our Product Management and Pricing Policy (PMPP). This review is to guarantee that our methodology and guidelines remain relevant to match our customers' increasingly sophisticated and evolving needs.

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



Responsible finance that supports economic growth and development

We are investigating opportunities to collaborate with stakeholders and boost the local economy by leveraging our products and services.

Lokal is Beautiful

We launched the 'Lokal is Beautiful' (LIB) initiative in 2019 to support our commitment to facilitating and financing Mauritius' sustainable development. This initiative aims to inspire local entrepreneurs to explore three avenues to build a prosperous and resilient country:

Maker Island

Making Mauritius a maker island by increasing its ability to produce what it consumes using local resources

Circular Island

Connecting local economic and material circuits to make Mauritius a circular island, which can be a powerful generator of wealth and innovation

Smart Island

Finding opportunities to harness the island's economic intelligence to create sustainable value rather than products

We provide access to finance through the LIB loan scheme, which is available to a wide range of entrepreneurs from sectors that include manufacturing, agriculture, waste management and technology, among others. Financing targets micro, small and medium-sized enterprises (MSMEs) and mid-market enterprises (MMEs).

During the year, we revamped the LIB loan scheme to ensure it appropriately and responsibly meets the needs of MSMEs and MMEs.

Enhancements included reducing the loan criteria to ensure it caters for all capital expenditure and working capital requirements. This included introducing lower interest rates over a tenure of 10 years. We eliminated all ESG criteria to prevent an overlap with MCB's Sustainable Loan, launched in February 2023 (page 71). The primary loan criteria now focus on whether a business is Made in Moris certified (page 52) or aligns to the definition for a Smart Island or Circular Island. We also set up a dedicated support team to assist with identifying and processing eligible applications for the LIB loan scheme.

We further launched Punch Meets this year, which created opportunities for MSMEs to collaborate and share ideas. These events brought together like-minded entrepreneurs and subject matter experts committed to adopting circular and sustainable practices while supporting local economic development. We held three Punch Meets during the year, which focused on the three main themes of the LIB initiative. We targeted between 50 to 75 customers at each Punch Meet. As we progress from one Punch Meet to another, we are seeing increasing interest and momentum among customers, particularly with the reduction in post-pandemic restrictions. Read more about our Punch platform on page 54.

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

Made in Moris



MCB has a standing partnership with the Association of Mauritian Manufacturers (AMM) to promote the **'Made in Moris'** (MIM) concept. MIM aims to promote and improve local know-how and job creation. Any product or service with the MIM certification indicates that it meets the required standards set by the AMM.

To support MIM, two of our products and services, MCB Punch and MCB Juice (including MCB JuicePro) were MIM-certified this year. Additionally, MIM co-hosted a Punch Meet series on Circular Economies which featured Pierre Louis Desprez from French consulting firm, Kaos Consulting.

Turbine



MCB has been an official sponsor of **Turbine Incubator** since September 2020. The incubator empowers start-ups by providing professional services to help them on their growth journey while also contributing to the SDGs. This year, we sponsored the ninth edition of **Turbine Test Drive**, a start-up competition requiring start-ups to demonstrate how their business will support one or more of the SDGs and contribute to local economic development. MCB further provided sessions on financial discipline to ensure start-ups were equipped to pitch their ideas to investors.

AMFCE



MCB continues to reinforce its support of the **Association Mauricienne des Femmes Chefs d'Entreprise** (AMFCE), which brings together women business owners from all sectors of the Mauritian economy and provides women entrepreneurs with the tools, knowledge and resources to start and grow their own businesses. This collaboration is vital in empowering women entrepreneurs, fostering gender equality and boosting the development of women-owned SMEs.

Regeneration Mauritius



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

Graines De Boss | Mauritius Africa Fintech Hub | The Hive



MCB Business Banking collaborated with **Graines De Boss**, an entrepreneurial competition to accelerate the development of young local entrepreneurs across Mauritius. The platform connects entrepreneurs with professional mentors and investors and creates opportunities to access funding and business support. In collaboration with **Graines De Boss, Mauritius Africa Fintech Hub**, and **The Hive**, MCB Business Banking sponsored **Tech Together**. This event brought together start-ups, mentors and investors in the Tech sector.

Katapult Mauritius Accelerator



MCB is a lead investor in the Katapult Mauritius Accelerator, which was launched in April 2022. This is an impact accelerator programme for local and international start-ups focusing on regenerative food- and agritech solutions for Africa, using Mauritius as a nexus for innovation and transformation. Mauritius was chosen due to its stable democracy, strong financial centre and increasing focus on sustainability, which provide strong entry points for startups and impact investors. Ultimately, the accelerator programme aims to grow the credentials of Mauritius as a launchpad for sustainable business.

More than 1,000 startups were considered for the Katapult Mauritius Accelerator programme. From these 1,000 startups, seven companies were selected, representing six countries: Nigeria, Uganda, Ghana, Tunisia, Mali and India. This year, activities started and participants received access to resources, mentorship and collaboration opportunities. They also took part in a targeted investor day in August 2022, attended by more than 200 investors.

The seven companies participating in the Katapult Mauritius Accelerator programme are:

1. OKO Finance (Mali), which leverages data to provide effective, affordable insurance to farmers in emerging markets and deliver instant claim settlements.
2. Crop2Cash (Nigeria), which digitalises the food crop value chain by building tools for agroprocessors, allowing them to manage their supply relationships digitally. Crop2Cash is growing its customer base by more than 40% monthly, and aims to reach 1 million farmers by the start of 2024.
3. Sensegrass (India), which offers farming solutions based on cutting edge technology.
4. HerVest (Nigeria), which addresses the gender gap in agriculture by providing growth opportunities to women small-scale farmers in rural areas.
5. MooMe (Tunisia), which offers innovative software and hardware to help monitor dairy farming production across the entire value chain.
6. Complete Farmer (Ghana), which connects farmers to global food buyers and assists them in gaining a competitive edge across the supply chain. Complete Farmer provides access to market for over 15,000 farmers across Africa.
7. Rural Farmers Hub (Nigeria), which provides agricultural services to small and big farmers.

Katapult is a Norway-based investment company focused on highly scalable tech startups across three key verticals that include the ocean, climate and Africa. Katapult has currently invested in 146 companies across 47 countries. Alongside the Katapult Mauritius Accelerator, Katapult also launched the Katapult Africa Accelerator in November 2022 to maximise ecosystem impact and support cross-continental innovation in the food-, agri- and climate-tech space. These initiatives are supported by a strong focus on research to drive ecosystem engagement and knowledge sharing across the continent.

Punch

Through our online, business-to-business platform Punch, we aim to build a resilient entrepreneurial ecosystem by connecting entrepreneurs with one another and with professional service providers to help them grow their businesses.

We launched our Punch platform in June 2021 in connection with the LIB initiative. The platform is open to all local entrepreneurs, from micro businesses to MMEs, and enables entrepreneurs to access new markets, business opportunities and alternative sources of finance. Additionally, Punch aspires to be a knowledge centre for entrepreneurs to leverage to grow their businesses. At 30 June 2023, the Punch community represented 3,000 entrepreneurs who were using the features of the platform.

Achievements for the past year are highlighted below:

Achievements in 2022/23

The Community

3,000

Entrepreneurs

FY 2022: 1,500 SMEs

100% Growth

Improved Features



Cross Collaboration



Anchoring with JUICEPro

Economic Growth

154

Growth Partners

6

Equity Investors

Application

5%

Increased usage

467

Products

290

Services

132

queries between members
for products and services

Certification



Awarded in May 2023

PUNCH

New products and services to support local entrepreneurs

During the year, we launched the **Global Trade Portal**, a dedicated platform for businesses in the international trade industry. The platform provides opportunities for businesses to explore new markets, find potential trade partners and manage trade operations.

We further launched two new products to promote sustainable and responsible banking practices among entrepreneurs:

- i. The **Business Debit Card** is an alternative payment means developed to allow entrepreneurs to pay for their business expenses and relish in its conveniences anywhere, anytime. It allows them to make payment digitally and quickly by avoiding the hassle of writing cheques or carrying cash around. It is a free card, made from renewable materials, and is biodegradable. Entrepreneurs benefit from exclusive deals by paying with their cards and can easily manage their card or track their expenses via the MCB JuicePro app. Our Business Debit Card is also the first MCB card to have a bespoke vertical design to make card payments more intuitive.
- ii. Our new all-in-one payment solution, **Pay+**, is a point-of-sale mobile device that enables seamless and efficient cashless payments. By using Pay+, SMEs and their customers benefit from simpler and faster transactions and enhanced ease of doing business.

Promoting financial literacy and inclusion

Microfinance

We launched MCB Microfinance in July 2016 to promote financial inclusion and empower micro-entrepreneurs. MCB Microfinance is a non-banking financial subsidiary of MCB Group.

MCB Microfinance provides small loans ranging from Rs 15,000 to Rs 800,000 to micro-enterprises and self-employed individuals. Options include working capital, investment and start-up loans. Micro-entrepreneurs receive basic financial literacy training, and we provide them with introductory materials on good accounting practices, cash flow management, and more.

MCB Microfinance’s impacts on society since its launch in July 2016

6,149

Loans disbursed, valued at Rs 1,283 million (including 568 loans disbursed in Rodrigues, valued at Rs 87 million)

3,368

Clients financed (with 2,032 active clients as at 30 June 2023)

40%

Of loans have been disbursed to women clients since July 2016

75%

Of loans have been disbursed to businesses with an annual turnover less than or equal to Rs 2 million

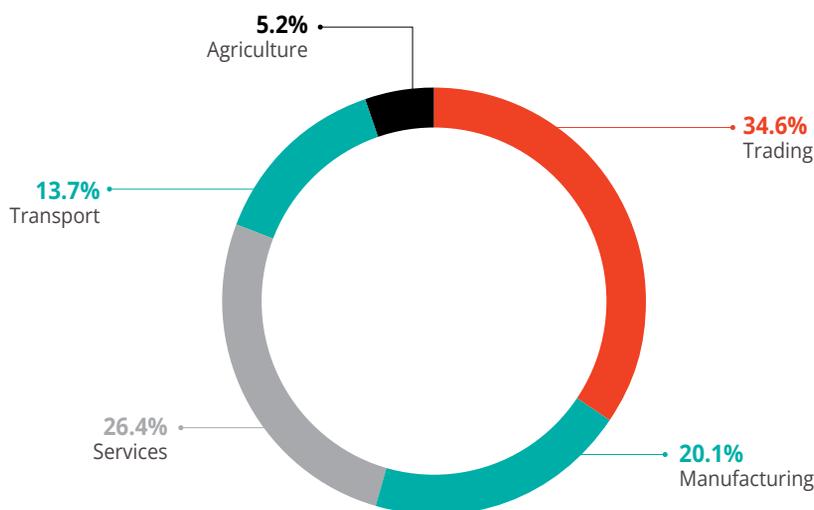
1,029

Loans were disbursed during the past financial year, valued at Rs 243 million

2,518

Outstanding loans as at 30 June 2023, valued at Rs 414 million

Outstanding loans by sector as at 30 June 2023 (Rs 414 million):



Financial literacy

By helping people better understand financial concepts we can improve their financial knowledge and contribute to a more inclusive economy.

We continue to educate our customers on detecting and avoiding fraud through digital awareness campaigns at all retail branches. We supplemented these campaigns with radio and social media broadcasts, which focused on creating awareness of fraud and phishing and warning customers never to share their personal information over the phone or online. To increase customer penetration and awareness, we provided messaging in Creole.

Financial inclusion

To foster meaningful economic inclusion and prosperity, we enhance our products and services to increase financial inclusion and ensure more people benefit from safe, useful, affordable financial services.

- We launched our **'Your Happy Place' housing loan campaign**, which offers home loans at a fixed interest rate for the first two years to ensure customers can budget and plan accordingly.
- We reviewed our **unsecured loan offering** to make it more accessible and affordable for lower-income customers by reducing the minimum amount and increasing the maximum tenor on unsecured loans.
- Customers can apply for personal and home loans through our mobile app, website and mobile banking application, **MCB Juice**, enabling customers to access finance and advice remotely and conveniently.
- We relaunched our **'Your Coins for Change'** initiative, encouraging MCB customers (and non-customers) to deposit spare coins into their accounts or exchange them for cash. MCB contributes 1% of the total amount collected to finance a youth rehabilitation programme. Following the campaign, Rs 4,888,364 was collected and 1% of the amount was redirected to the MCB Forward Foundation to finance and support a youth rehabilitation programme.
- We offer **educational loans** through MCB Campus, covering study, transport and living expenses.

Serving our customers

We remain committed to providing our customers with the right solutions that meet their needs. We offer tailored and simplified solutions and experiences and constantly seek to improve the accessibility of our products and services.

~ 1,126,800

MCB Group individual customers

(FY 2022: ~1,096,000)

~ 54,000

MCB Group non-individual customers

(FY 2022: ~49,000)

~ 1,045,100

MCB Ltd individual customers

(FY 2022: ~1,018,000)

~ 45,500

MCB Ltd non-individual customers

(FY 2022: ~41,000)

Customer Lab

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

This year, we progressed on our journey to implement a Group-wide Voice of the Customer programme across Retail, Business Banking, and Private and Wealth Management, and for some other internal partners. Key highlights for the past year include:

- Conducting **more than 100 research projects** and providing customer experience services to MCB's various business units, subsidiaries and business partners.
- Introducing **new touchpoints and channels** that enable customers to collaborate with us on the development and enhancement of our products and services.
- Developing **customer 'pain point' dashboards** that enable us to identify improvement areas while leveraging opportunities to improve customer experience and product development.
- Introducing **customer immersion research methodologies** into our customer experience frameworks to help us drive new product and service development and enable strategic planning.
- Implementing a **live dashboard** to monitor leads for key products or campaigns and track events.
- Launching **customer experience frameworks** for MCB Seychelles and MCB Madagascar.

12,000

Customers participated in surveys and research projects

19,000

Customer insights recorded from surveys and complaints

30

Ongoing customer surveys (conducted either monthly or quarterly)

25

Real-time customer experience dashboards rolled out across the Group

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

	Retail	Business Banking	Private Wealth Management	Corporate and Institutional Banking - Mauritian and Regional Corporates
Net Promoter Score	35.2 (FY 2022: 29.3)	11.1 (FY 2022: 9.7)	26.1 (FY 2022: 26.1)	9.2
Customer Satisfaction Score	83.5 (FY 2022: 80.6)	76.1 (FY 2022: 73.7)	80.9 (FY 2022: 77.0)	75.4

Improving customer complaints management

To enhance our service and provide an excellent customer experience we engage with our customers through effective and efficient complaints management.

During the year, we continued to find ways to improve our customer complaints management. This includes:

- Ensuring our complaints handling system is visible and accessible, including enhancing our complaints portal on the MCB website.
- Ensuring that information about how and where to complain is well disseminated to customers, employees and other interested parties.
- Providing training and support to employees involved in customer complaints management.
- Improving complaint categorisation and reporting to SBUs to ensure that complaints are resolved as quickly as possible and to reduce incidents of non-adherence to processes or procedures.

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

Customer complaints as at 30 June 2023¹

18,505

Complaints for MCB Ltd

(FY 2022: 15,345)

356

Complaints for subsidiaries²

(FY 2022: 424)

84%

Complaints resolved in five days or less for MCB Ltd

(FY 2022: 81%)

While the number of complaints has been rising, reflecting the increased volume of transactions and easier access to the complaint platforms, complaint resolution metrics improved during the year.

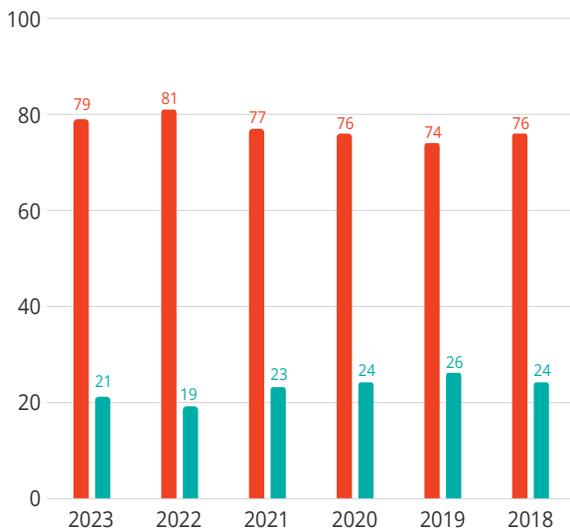
¹93% of all complaints received were addressed within 10 working calendar days and this process is strictly monitored by our concerned business unit.

²Subsidiaries include MCB Capital Markets, MCB Leasing, MCB Seychelles, MCB Maldives and MCB Madagascar.

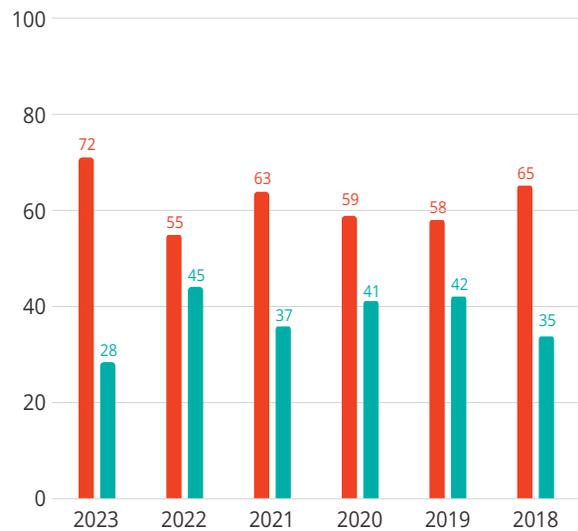
Promoting responsible procurement

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

Suppliers ratio (%) based on number of suppliers (MCB Ltd)



MCB Ltd procurement spend ratio (%)



Local Foreign

MCB is committed to promoting circular economies. We will put a task force in place in the upcoming financial year to work on the applicability of circular economies locally and in terms of how we source international products and services.



Priorities for the year ahead

- Reinforce our ambition to empower and support women entrepreneurs.
- Promote financial inclusion by ensuring that micro-entrepreneurs have equal access to credit.
- Review all complaints policies and procedures, continue to integrate other subsidiaries and business units into our complaints management process, and provide our frontline employees, customer service officers and service agents with training on how to receive and handle complaints.

Actions taken by other subsidiaries to promote responsible finance that supports economic growth and development:

MCB Madagascar

MCB Madagascar collaborated with MCB to host a Trade Week in Madagascar with the aim of strengthening international trade for sustainable business growth. This was supported by a workshop on supply chain finance and the launch of the MCB Global Trade Portal.

With the roll out of its mobile bank application MCB Juice Madagascar, MCB Madagascar enables customers to access finance and advice remotely, quickly and conveniently. MCB Madagascar launched a virtual card in partnership with mobile money service, Orange Money. Virtual cards provide consumers with the benefits of added security and reduced risk of fraud. MCB Madagascar also launched a linking service with mobile money platform, MVola, that enables customers to transfer money between their MVola account and their bank accounts with MCB Madagascar. This gives customers greater control over their finances and enables them to access a wide variety of financial services including digital money transfers.

MCB Seychelles

In collaboration with the Enterprise Seychelles Agency, MCB Seychelles hosted two workshops with local entrepreneurs. During the workshops, entrepreneurs were introduced to payments platforms that can facilitate their business banking practices and enable them to transact with international customers. MCB Seychelles participated in national events organised by the Central bank of Seychelles, including Fraud Awareness Week and Global Money Week. MCB Seychelles educated customers on fraud risk and financial well-being. Additionally, MCB Seychelles continued to refine its existing products and services to promote financial literacy and inclusion. This included upgrading MCB Juice to give customers greater control over their accounts. MCB Seychelles also launched the Pti Taktik Fantastik project, which used humour and visual aids to improve customer understanding of available products and services and help them transact online securely.

MCB Consulting

MCB Consulting continued its journey across the continent through its partnership with a major African telecommunications company to promote financial inclusion via a digital application that makes it easier to access credit. MCB Consulting also worked with Botswana's first indigenous bank to support its repositioning. In collaboration with the MCB Forward Foundation, MCB Consulting enhanced the tools developed and offered to women involved in the Boutique Solidaire project at Camp Le Vieux. This included developing a workbook that the women can use to manage their inventory and sales. Read more about the MCB Forward Foundation on page 98.



BIODIVERSITY



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We understand the importance of preserving Mauritius' natural resources as they support the economy, people and society, and biodiversity and ecosystems. Climate and environmental risks are increasing in frequency and intensity. As a small island, Mauritius is vulnerable to these extreme events. We are consequently committed to be a responsible corporate citizen and actively contribute to mitigate the negative impacts of the Climate Change. We are ensuring that our financing activities support low greenhouse gas emissions and climate-resilient infrastructure aligned with the national policies of Mauritius and the countries where we operate.

Alignment with the SDGs, UNGC, UNEP FI PRB



Climate and environmental risk management

In April 2022, the Bank of Mauritius published the Guideline on Climate-related and Environmental Financial Risk Management. This Guideline requires financial institutions to assess and report on their climate-related and environmental financial risks.

At MCB, we recognise the importance of this Guideline. Climate-related risks expose financial institutions to these risks through our financing activities. Failing to recognise and manage these risks could impact our financial stability. We are also mindful of allocating our capital towards projects that support the transition to low-carbon economies.

We have defined a roadmap to develop and implement a climate-related risk management framework and governance model for our physical and transition risks and we have undertaken the following actions, together with our service provider, to help us implement the Guideline:

- We developed a roadmap that unpacks how we will integrate climate-related risks into our existing risk management system. We submitted this roadmap to the Bank of Mauritius in September 2022 and provided bi-annual updates on our progress in March and September 2023.

Our climate risk roadmap focuses on three priority areas:

Governance



Setting out the governance structure to integrate physical and transition climate-related risks within our risk framework

Risk Management Framework



Developing capabilities to identify, measure, monitor and mitigate relevant physical and transition climate-related risks

Risk Reporting



Integrating climate-related risks into our strategy and decision making

- We reviewed our governance structures and established a task force with a dedicated climate risk workstream, which comprises key members of senior leadership with the aim of coordinating and driving MCB's work on climate risk and sustainable finance (read more on page 40).
- We initiated a significant data collection process to gather relevant climate-related data for MCB and are progressing in the analysis and understanding our physical and transition risks.

Alongside the Bank of Mauritius Guideline on Climate-related and Environmental Financial Risk Management, we further welcome the publication of IFRS Sustainability S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures and the Corporate Sustainability Reporting Directive, launched in 2023.

These standards provide a global baseline of sustainability-related disclosures for capital markets and are designed to ensure that companies provide investors with information relevant to decision-making. This includes a specific standard for disclosing climate-related risks and opportunities.

While these standards are not yet mandatory in Mauritius, MCB will undertake a review of the recently published frameworks to understand their implications on its current reporting practices and disclosures, informed by a materiality analysis (as discussed on page 28). Ultimately, we remain committed to providing interested stakeholders with relevant information that enables them to determine how sustainability factors impact MCB's long-term prospects.

Raising awareness about climate change

During the year, we continued to conduct Climate Fresk workshops with colleagues across the business, including our leaders, to raise awareness about climate change. Our facilitators joined the Climate Fresk Mauritius network to discuss and share best practices and attend national climate change events.

**5**

Workshops completed during the year

**48**

Participants attended the workshops

**8**

Employees trained as workshop facilitators

**126**

Employees have attended the workshops since launch in 2022

'Climate Week': Taking action to build a climate-resilient future

As a leading bank in Mauritius committed to sustainability, MCB is using its influence to mobilise local stakeholders on the importance of climate change. Approximately 550 stakeholders participated through the various activities hosted during 'Climate Week'.

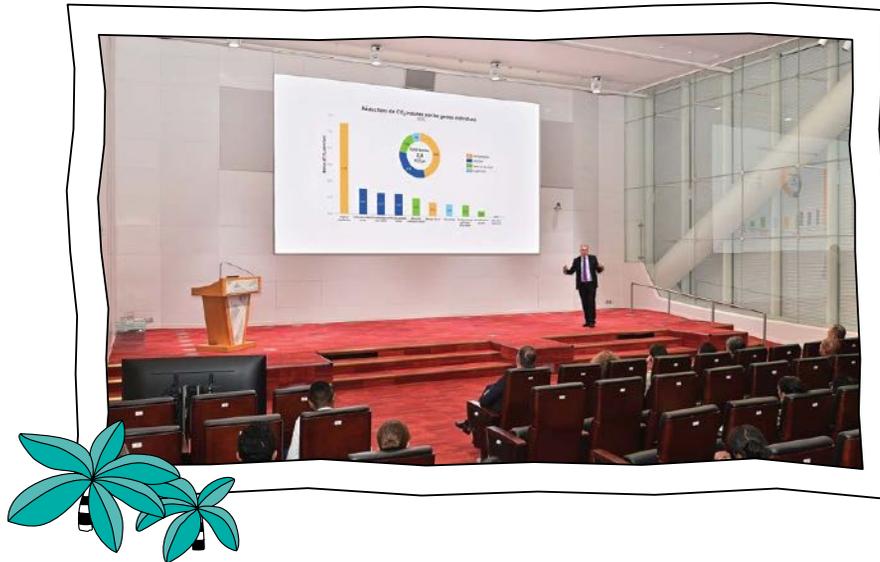
This year, we hosted 'Climate Week' and organised various activities attended by our clients, employees, leaders and Board directors. Alongside MCB, sessions were hosted by Dr François Gemenne, a specialist in environmental geopolitics and member of the Intergovernmental Panel on Climate Change, and Utopies, a French organisation that assists companies with integrating social and environmental issues into their strategies.



We hosted a '**Klima**' conference focusing on the theme 'Time to Act'. The conference brought together representatives from key sectors of the economy and promoted discussions on the risks, opportunities, and challenges of climate adaptation (and mitigation) in Mauritius. The conference was attended by over 150 clients, including Mauritian and regional corporates and MCB Business Banking clients.



We **trained 35 Relationship Managers** on the importance of climate change mitigation and adaptation solutions. The training aimed to equip them with knowledge and skills to understand the causes and consequences of climate change on the main sectors of Mauritius' economy.



We hosted a **masterclass on climate change for 260 MCB employees**, which focused on climate change impacts and solutions and the need for individual action to drive change.



We presented a **masterclass on climate change for MCB leadership**, which was attended by 40 of our leaders, our Chief Executives (Bank and Group) and our Directors. The masterclass included a presentation and panel discussion on climate change's impact on financial institutions and MCB's role in addressing climate change.



We facilitated an **interactive workshop** with 60 Atelier clients to raise awareness about and discuss potential climate change adaptation solutions for Mauritius.

Deba Klima



66

Schools submitted their proposals



198

Total students who manifested their interest to participate in Deba Klima



3,462,000¹

Total impressions



3,199,000²

Total reach



82,000³

Total engagement



Rs 6,500,000

Total budget spent

Students set the tone: raising awareness and integrating youth in the fight against climate change

This year, MCB launched 'Deba Klima', a debate contest for local secondary schools that invited students to present arguments on various topics related to climate change. 'Deba Klima' was undertaken in partnership with the Rajiv Gandhi Science Centre and in collaboration with Dr François Gemenne, who provided training and coaching sessions to support and motivate the students. Additionally, MCB's employees provided video coaching sessions to the participants.

The competition aimed to raise students' awareness of the social, economic and environmental challenges faced by various countries, including Mauritius, due to climate change. The contest also focused on measures, solutions and best practices that countries can adopt to mitigate the effects of climate change and promote sustainable development.

In addition to integrating local youth in the fight against climate change, the competition aimed to create awareness among the broader community. Messaging was broadcast on radio, billboards, and social media. Debates were also televised nationally and conducted in Creole to enable as many people as possible to understand the challenges of climate change.

The top three students and their teacher enjoyed an eco-discovery trip to Rodrigues as part of the prize



It was not difficult to convince me to participate in 'Deba Klima'. This subject challenges and fascinates me. I had so much to say and knew I had to do it for Mother Nature. My participation was motivated by my sincere interest in the climate, and I could not pass up such an opportunity to make my voice heard for a cause so close to my heart. "

Simran Janoo,
Team Leader of Forest Side SSS (Girls)



After the 'Deba Klima', I realised the seriousness of the situation. My knowledge of climate change has deepened, and I can now see that climate change affects every aspect of human life. This competition has also made us ambassadors. It is high time we changed our way of life to fight climate change together. "

Anida Gungadhur,
Accompanying teacher from Forest Side SSS (Girls)

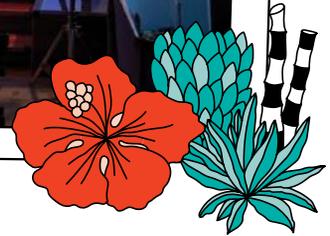
¹ Paid Impressions: The number of times the post was seen due to paid promotions or ads. Organic Impressions: The number of times the post was seen naturally, without paid promotions or ads.

² Paid Reach: The number of people who see your content through paid promotions or advertising on social media. Organic Reach: The number of people who see your content without any paid promotions on social media.

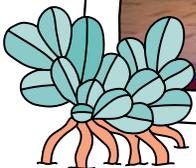
³ Paid Engagement: User interactions with the post driven by paid promotions or ads. Organic Engagement: User interactions with the post that happen naturally, without paid promotions or ads



Forest Side SSS (Girls) debated against the Royal College Curepipe in the final



Forest Side SSS (Girls) won the first edition of 'Deba Klima'



Responsible finance that supports environmental sustainability

There are growing calls for greater transparency on what businesses are doing to transition the world to a low-carbon, climate resilient economy. As such, in recent years, we have initiated various actions to deliver on our commitment to help the country.

We reviewed our governance structures and established a transition task force with supporting workstreams to drive our approach to sustainable financing locally and regionally.

Read more from page 38.

We are working towards building a consolidated ESG score for managed portfolios since sustainable investing remains a key tenet of our investment philosophy.

Read more on the following page.

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

We remain committed to managing our direct environmental impacts and our operational footprint by efficiently managing energy and water consumption, paper usage, and reducing our carbon emissions.

Read more from page 76.

We earmarked a green credit envelope of Rs 10 billion during the year to finance ESG projects and developed a green taxonomy to facilitate sustainable financing.

As a signatory of the UNEP FI PRB, we made progress in implementing these principles this year. We conducted a detailed impact analysis to identify the significant positive and negative impacts of our Mauritius-based financing activities on people, the planet and prosperity.

As an outcome of this analysis, we identified two potential high-impact areas related to our local financing operations: climate and resource efficiency/circular economy. We then identified targets to enable us to effectively monitor and manage these impacts by developing sustainable financial solutions for our clients.

We have determined the following targets:

1. Climate: Earmark the Rs 10 billion credit line to finance projects related to climate mitigation and adaptation by 2027 in line with Mauritius' Nationally Determined Contribution and National Adaptation Plan.
2. Resource efficiency/circular economy: Engage with at least 25 clients by 2026 to capture waste/resources efficiency data with the ambition of promoting a circular economy in Mauritius.

Green Lease

MCB Leasing launched Green Lease in December 2020 for individuals and businesses willing to adopt sustainable solutions. It covers the acquisition costs for electric or hybrid vehicles as well as the installation costs for photovoltaic-based charging stations at a fixed interest rate of 4.75% per annum. During the financial year, Rs 377.3 million was disbursed for electric or hybrid cars (FY 2022: Rs 341 million). We anticipate that the market for electric or hybrid vehicles will continue to grow in the year ahead as consumers become more environmentally conscious and electric or hybrid cars become more easily available. In the medium term, we are also exploring financing electric car charges.

GreenDrive

We continued to offer the GreenDrive loan scheme to employees. Launched in June 2021, this initiative encourages employees to choose electric or hybrid vehicles and supports our climate commitment to shift from fossil fuels to cleaner energy systems. During the financial year, we disbursed loans of Rs 105 million under this scheme for the purchase of electric and hybrid vehicles (FY 2022: Rs 46 million), representing 51% of car loans for the year under review.

Carbon offsetting

In line with our commitment to driving climate transition journeys in countries where we operate, we committed to investing € 5 million from 2021 to 2040 in Livelihoods Carbon Fund 3. This impact investment fund is focused on financing large-scale projects with positive social and economic impacts for rural communities. MCB's investment in the fund is expected to generate its first carbon credits in 2024, reaching 800,000 credits at the end of 2040. The carbon credits will be used to offset the Bank's direct carbon emissions and will also be offered to clients committed to achieving net zero carbon emissions.

MCB Sustainable Loan

MCB strengthened its sustainable financing offer with the launch of the MCB Sustainable Loan in February 2023 to support the financing of projects according to a green taxonomy. This includes renewable energy, energy efficiency and clean transportation, among others, and circular economies. MCB further increased the dedicated credit line from Rs 5 billion to Rs 10 billion this year and developed a green taxonomy to guide our financing activities. Read more about our MCB Sustainable Loan and green taxonomy on pages 38-39.

Sustainable Supply Chain Finance

MCB launched its first Sustainable Supply Chain Finance this year for USD 10 million to CIEL Textile's knitwear cluster (Ferney Spinning and Floreal), which is present in Mauritius, Madagascar, Bangladesh and India. This new financing facility was launched in collaboration with the International Chamber of Commerce Standards for Sustainable Trade and Sustainable Trade Finance Wave 1. To be eligible, businesses must demonstrate how their activities contribute to environmental protection and socio-economic development. The financing facility further enables businesses to align with the visions set out by the SDGs and the Paris Climate Agreement.

The requirements of Ferney Spinning's and Floreal International's supply chains were assessed to ensure that the imported raw materials are organic and meet the Responsible Wool Standards (RWS). In addition, their products will obtain the Global Organic Textile Standard (GOTS) certification, which covers the processing, manufacturing, packaging, labelling, trading and distribution of all textiles made from at least 70% certified organic natural fibres.

These companies are also certified by the Business Social Compliance Initiatives (BSCI) standards, which confirms that they adhere to the principle of international labour standards and business and human rights. Finally, the factories are also HIGG Index certified, a suite of tools that provide a standardised measurement of value chain sustainability.

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

Sustainable investment through ESG funds

Our Private Wealth Management SBU offers customers the opportunity to invest in ESG-themed funds related to sustainable technologies and clean environments, which are managed by a third-party. This includes global clean energy, electric vehicles and driving technology exchange-traded funds.

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

This year, we undertook a survey among clients with ESG mandates to gain insight into which ESG topics are relevant and important to them as well as to understand their thoughts on ESG investing in relation to portfolio performance. These insights will be used as part of our ongoing focus to expand our offering of ESG-themed funds. We have also seen an increase in the issuance of fixed-income green and blue bonds. We anticipate these products will become an important part of our investment offering. We will also support the Government's commitment to increase the share of renewable energy in the national energy mix to 60% by 2030 by advising on the issuance of green bonds to finance Mauritius' renewable energy transition.

During the year, MCB Capital Markets became a member of the International Capital Markets Association (ICMA). Clients of MCB Capital Markets are now advised on bond issuances in accordance with the ICMA's Green Bond Principles, Sustainable Bond Principles and other international best practice standards.

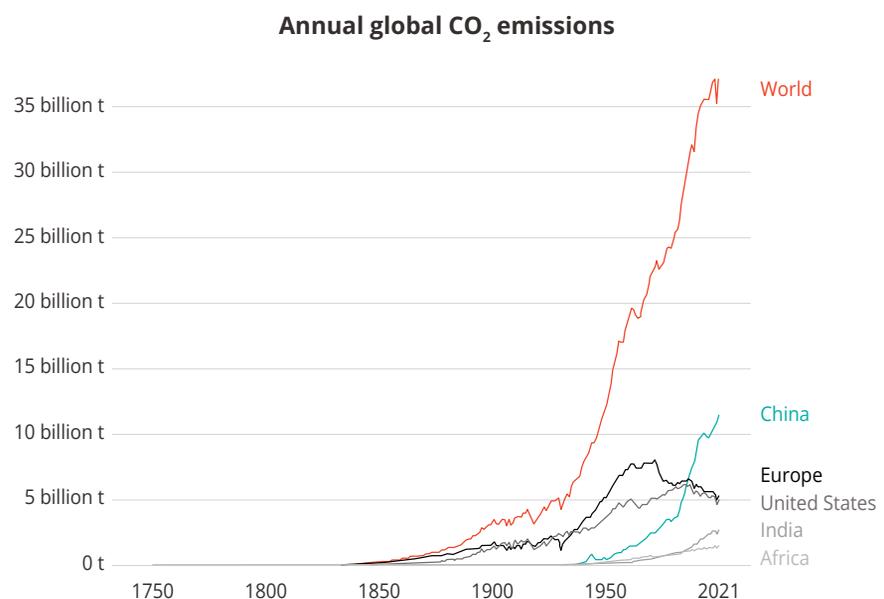
Financing oil and gas

MCB acknowledges the significance of global efforts to transition towards low-carbon economies. We are fully aware of the delicate balance between achieving our climate objectives and promoting economic growth, social development, and accessible energy, particularly given Africa's growing and intricate energy needs. At the same time, we remain dedicated to supporting and incentivising our stakeholders to shift towards renewable sources for a sustainable and cleaner energy future.

Over the past several decades, there has been exponential growth in CO₂ emissions worldwide. There is therefore an undeniable and urgent need to curb carbon emissions.

Africa's contribution to global CO₂ emissions is estimated to be approximately 3%, the lowest rate of energy access globally.¹

We therefore believe it is important to ensure economic and social progress and access to energy while balancing climate goals.



Source: Global Carbon Budget (2022), www.ourworldindata.org

¹The Road to COP27: Making Africa's Case in the Global Climate Debate, July 2022.

As a Bank turned towards the future, we have a responsibility...

...not to disregard the climate challenge or remain neutral, instead helping to proactively fund, facilitate and positively influence the energy transition and helping to decrease net carbon emissions

...to promote the economic resilience of our targeted African markets by providing strong and continuous support to our clients who operate in those countries and are committed to helping grow the affordable energy supply across communities while contributing towards progressively decarbonating the energy mix.

...to provide a reliable service to our clients, to preserve client confidence and to demonstrate our commitment to accompanying those who trust us

...towards our shareholders by providing them with sustainable growth in profitability

Our oil and gas financing strategy aims to balance the different cornerstones of the energy reality in our African markets:

- A sufficient and affordable energy supply is needed to meet pressing and growing socio-economic demands.
- The need to ensure the security of supplies.
- The need to progressively decarbonise energy sources and contribute fairly to meeting global climate goals.

We also realise that the energy transition will not happen overnight.

Most African economies remain highly dependent on fossil fuels for socio-economic development, and taking into account the huge investments required to achieve a transition to a progressively decarbonised and affordable energy mix, the shift to renewable energy is expected to progress more slowly.



MCB therefore recognises the importance of ongoing financing for oil and gas projects in Africa. This commitment aims to support accessibility to affordable energy and address critical socio-economic priorities. However, MCB also acknowledges the necessity of evolving these endeavors, emphasising a shift in approach, to simultaneously and actively contribute towards facilitating the long term transition to sustainable and cleaner energy sources.

The following elements of our responsible financing strategy guide our financing of oil and gas projects:

- Projects are assessed against our ESR policy (page 38).
- We align all projects with the Equator Principles and the Performance Standards of the International Finance Corporation, which provide guidance on how to identify, manage and mitigate risks to ensure business is conducted responsibly and sustainably.
- Legal clauses are included in all facility agreements.
- We ensure independent due diligence is undertaken on environmental and social projects that we finance under Category A.
- We undertake regular environmental and social monitoring reports.
- Our responsible financing strategy includes ESG key performance indicators such as carbon emissions and health and safety.

The following will contribute to devising our transition strategy:

- Map our climate-related transition risks, including our portfolio's carbon emissions and transition risks associated with our oil and gas financing (this process will commence next year).
- Progress in implementing the UNEP FI Principles for Responsible Banking will help us identify our environmental and social impact areas and focus our transition efforts.

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

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

MCB Energy and Commodities financing portfolio

USD million	June 2021		June 2022		June 2023	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
Oil and gas						
Trade finance	780	1,315	1,562	1,077	1,594	1,017
Exploration and production	351	8	360	45	492	191
Project finance	15	0	48	14	51	7
Prepayments	347	0	185	0	119	32
Coal						
Trade finance	-	-	-	-	-	-
Total	1,493	1,323	2,155	1,136	2,256	1,246
% of MCB Ltd's total assets	10%		14%		13%	

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

Managing our direct and indirect operational environmental impacts

Our carbon footprint (MCB Ltd)

We remain committed to reducing our carbon emissions and to supporting the country's transition to a low-carbon economy. We have set a target to contribute to achieving net zero by purchasing carbon credits for our Scope 1 and partial Scope 3 emissions, and purchasing International Renewable Energy Certificates (iRECS) equivalent to our grid electricity consumption.

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

Progress towards net zero

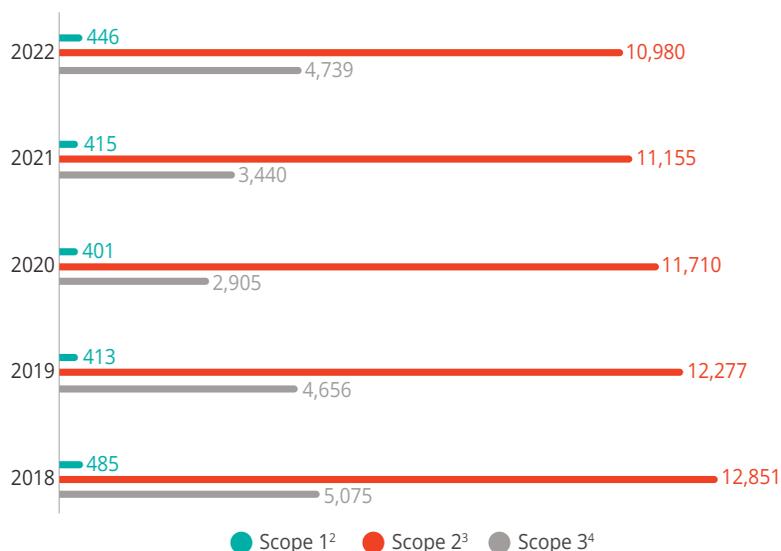
Target: Contribute to net zero carbon emissions



Progress in 2022
(January to December)

Our total GHG emissions¹ for 2022 amounted to 16,165 tonnes CO₂-eq (2021:15,011 tonnes CO₂-eq). This is a 0.07% increase year-on-year. The increase is primarily due to an increase in business operations post the Covid-19 pandemic and more regional and international business travel. We purchased 3,855 tonnes of CO₂-eq of carbon credits in the 2020 calendar year, which was equivalent to our Scope 1 and Scope 3 (commuting and business travel) emissions. We purchased iRECS equivalent to 10,980 MWh of our grid electricity consumption.

Total GHG emissions (tonnes CO₂-eq) by category



¹ MCB computes its GHG emissions according to the Greenhouse Gas Protocol carbon accounting methodology, developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

² Direct emissions from sources owned or controlled by the company. For MCB, this includes fuel use in backup power generators, fluorinated gas losses and fuel for company vehicles.

³ Indirect emissions from the generation of purchased energy. For MCB, this reflects purchased electricity.

⁴ For MCB, this includes upstream emissions from employee commuting and business travel. It excludes other upstream categories and downstream financing activities.

Our operational footprint

In 2019, we set objectives and targets to monitor and manage our key direct environmental impacts¹. These impacts include GHG emissions, energy and water consumption and paper usage. We remain committed to managing these impacts efficiently.

Energy consumption (MCB Ltd)

The Bank continues to work on reducing the energy intensity of its operations, which takes into account the electricity consumption at the Bank's owned and leased buildings in addition to diesel-sourced generators. The Bank sources the electricity necessary to run its operations from the national grid, mostly generated from non-renewable sources (fuel oil and coal). One of our main offices at St Jean is equipped with a solar farm that generated around 577 MWh of electricity in 2022.

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

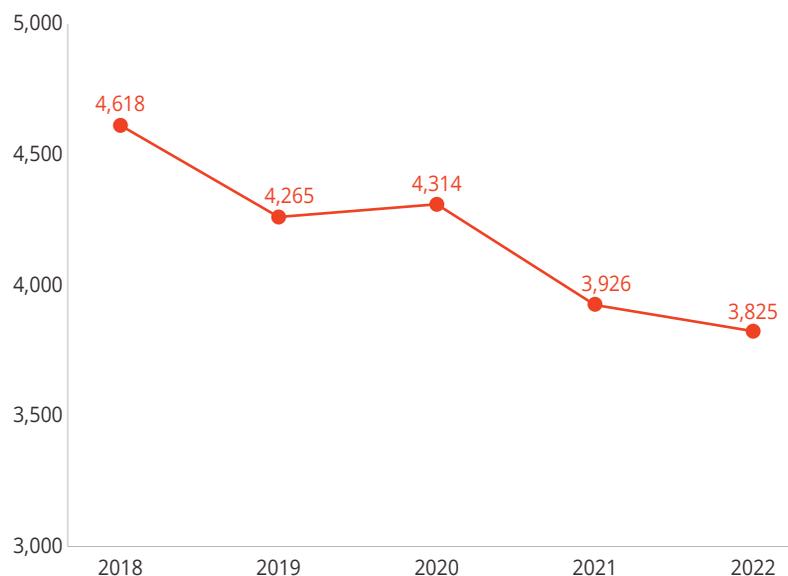
Target: 23% reduction in intensity by 2023 (electricity)



Progress in 2022
(January to December)

Energy intensity decreased from 3,926 kWh per full-time employee (FTE) in 2021 to 3,825 kWh per FTE, representing a 2.6% decrease year-on-year. This decrease is mostly due to ongoing efforts to increase the energy efficiency of our equipment and buildings. The decrease in 2022 represents a 17% cumulative decrease against our 2018 baseline.

Energy intensity (kWh per FTE)



¹ We monitor data related to energy and water consumption, GHG emissions, paper usage, and waste generation annually from January to December.

Water consumption (MCB Ltd)

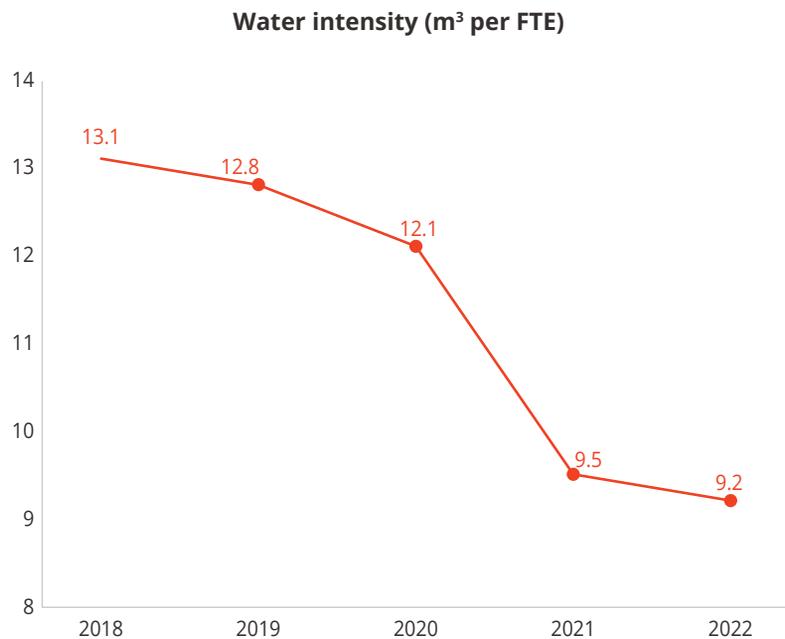
Mauritius is a water-stressed island. We are therefore focused on carefully monitoring and reducing our water consumption. We have implemented various water-saving actions in recent years. This includes, among others, replacing normal taps with automatic sensor taps.

Target: 25% reduction in intensity by 2023



Progress in 2022
(January to December)

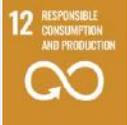
Water intensity decreased from 9.7 m³ per FTE in 2021 to 9.2 m³ per FTE. This reduction was supported by our flexible working policy, which enabled employees to work remotely as well as on-site. The decrease in 2022 represents a 30% cumulative decrease against our 2018 baseline, reaching our 2023 target ahead of schedule.



Paper usage (MCB Ltd)

We are focused on reducing paper consumption for our direct operations, clients and security holders. Ongoing actions include electronic KYC via tablets, online account opening and QR codes for product pamphlets.

Target: Below 100 tonnes by 2023



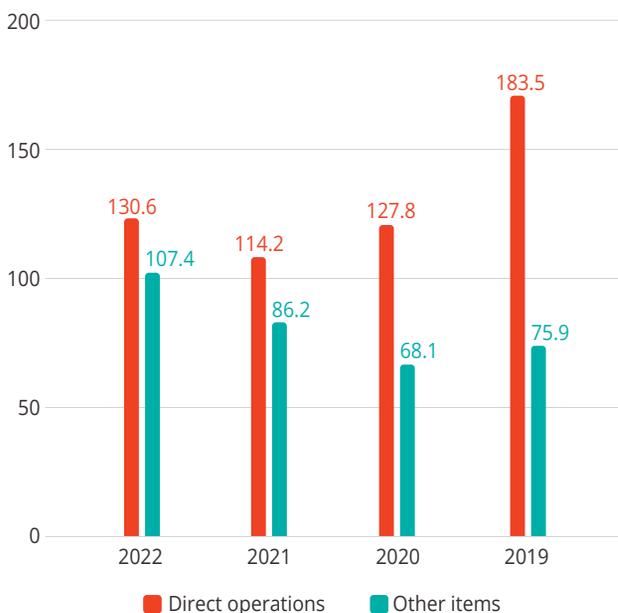
Progress in 2022
(January to December)

We classify paper consumption into two categories: direct operations and other items linked to paper use for clients and the production of annual reports, among other items. Paper consumption increased year-on-year, from 200 tonnes of paper consumed in 2021 to 238 tonnes in 2022. In our direct operations, the increase was due to printing forms and other required documents. The increase in other items was mainly due to the use of point-of-sale thermal paper rolls and the printing of annual reports.

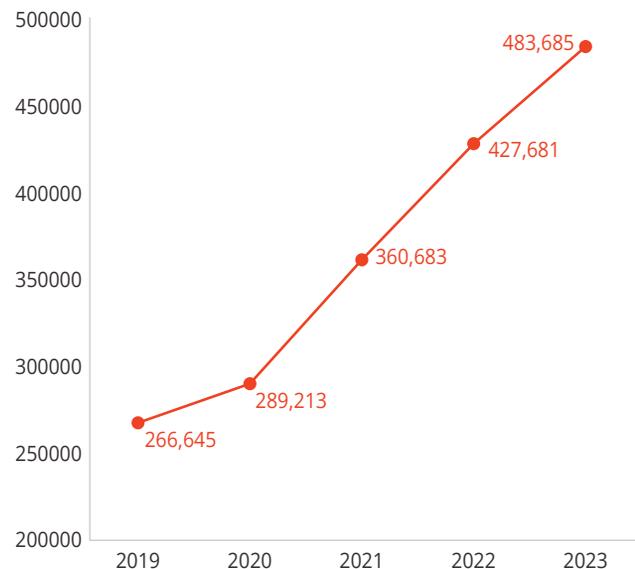
We continually encourage customers to subscribe to e-statements and encourage our shareholders to adopt the electronic annual report. Following a change in regulation¹ and to reduce paper consumption, MCB has elected not to send copies of our annual report to our shareholders in 2023 unless they request a printed copy.

As at 30 June 2023, 33% shareholders have opted for an electronic version of our annual report.

Paper consumption (tonnes)



E-statement subscriptions for active customer accounts (MCB Ltd)



¹ In accordance with the provisions of Practice Direction No. 2 of 2022 issued by the Registrar of Companies pursuant to section 12 (8) of the Companies Act 2001. A shareholder shall retain his/her rights to receive a copy of the Annual Report at any time upon request.

Waste management (MCB Ltd)

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

Waste segregated and recycled	Quantity		
	2020	2021	2022
Waste type			
Plastic (tonnes)	557	553	1,511
Printers' ink toners (unit)	723	517	583
Alkaline batteries (tonnes)	0.03	0.15	0.15
Coffee capsules (unit)	6,154	2,090	6,743
E-waste (unit)	1,408	1,287	2,325

In 2021, MCB joined Mauritius' food waste prevention programme as we operate two restaurants that cater to our employees. The PLEDGETM on Food Waste is a Singapore-based third-party benchmarking and certifying body for restaurants, hotels and canteens aiming to help organisations reduce food waste and save money on food. For the past financial year, food waste increased from 1.5 tonnes (42 grams per serving) to 10.1 tonnes (53 grams per serving). This increase is explained by the fact that employees are at work more regularly post the lifting of the Covid-19 restrictions. We retained our Gold Medal status for our restaurants. Our catering operations comply with the HACCP (Hazards Analysis Critical Control Point) Principles to ensure food safety practices.

Impact partnerships

MCB recognises the importance of meaningful and sustainable collaboration to contribute to the SDGs and effectively address environmental and social challenges.

We are engaged in nine partnerships across Mauritius that bring together different stakeholders from various sectors to maximise value creation and deliver clear and meaningful positive environmental and cultural impact.

Each partnership is guided by a clear set of key performance indicators that enable us to track and measure progress. We maintain our partnerships for a minimum of three to five years to ensure we can properly assess the effectiveness of each project over time.

Beyond financial support, we work alongside our partners to find innovative solutions for complex challenges.

Key partnerships for the past financial year are highlighted on the following pages.

Environment and Others

I. Mauritian Wildlife Foundation (MWF)

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

During the year, we continued to support five of MWF's programmes, which aim to protect four endemic species under threat of extinction. These species include the Echo Parakeet, the Pink Pigeon, Günther's Gecko, and the Round Island Boa. MCB also contributes significantly to protecting the fragile biodiversity of Mauritius' islets.

We fund education sessions and workshops to raise awareness among fishermen, skippers, tourists, officers of the National Coast Guard, and children. We have extended our support to the MWF for a further three years, with an annual sponsorship of Rs 5 million.

13 021

Visitors educated on the importance of islet restoration to save species from extinction

Several Workshops

Conducted with 49 skippers, 22 National Coast Guards, 81 fishermen and 18 private boat owners

Youth education

Presentations and activities conducted in 23 schools targeting 1,788 students

84

Awareness and educational activities with island users

II. Ebony Forest

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

In addition to sponsoring two hectares of forest, MCB contributes Rs 3 million annually to Ebony Forest in support of educational activities, conservation efforts and training aimed at preserving local biodiversity.

Two hectares

Of Ebony Forest, sponsored by MCB since 2019

Rs 3 million

Committed annually by MCB to support education, training and conservation

152,000 plants

Planted in Ebony Forest as of May 2023

24 students

Undertook training during the year on the importance of conservation

III. Team MCB

MCB has been a partner to the Mauritius Cycling Federation since 2017 and extended this support to the women's national cycling team in 2020. MCB contributed Rs 7.3 million to the Mauritius Cycling Federation in FY 2023.

IV. RTN

MCB provides an annual sponsorship of Rs 650,500 to RTN, an association that organises the majority of Mauritius' trail running competitions. MCB acts as a strategic partner, with the goal of supporting sports development and women empowerment while assisting with operational requirements. This year, we also sponsored eight local runners who attended the Trail World Championship.

V. The Good Shop

MCB entered into a long-term partnership with The Good Shop in 2022. The Good Shop is a social enterprise that extends the life of goods and provides jobs for people with few skills or who have disabilities or addictions. The Good Shop is also committed to funding scholarships for children living in poverty. In addition to providing financial support (2023: Rs 750,000), we purchased a van and equipment to help them operate effectively.

VI. We-Recycle

MCB has been a partner to We-Recycle since December 2022. We-Recycle is a non-profit NGO that collects recyclable waste throughout Mauritius to help support cleaner environments. The organisation also engages with Government and local authorities to help shape recycling policy and legislation in Mauritius. MCB supports We-Recycle with an annual sponsorship of Rs 500,000. This year, funding was used for the following:

- Establishing a recycling collection station at the entrance to the Le Morne Heritage Trail, a UNESCO world heritage site.
- Organising a clean-up activity to mark the launch of our partnership with We-Recycle, with 19 employees from MCB Ltd participating in the event.
- Recruiting an administrative officer for one year.
- Acquiring accounting software to digitise data collection and processing.
- Funding awareness campaigns for primary and secondary school educators in Black River and Savanne.

VII. Le Vélo Vert

MCB entered into a three-year partnership with Le Vélo Vert in 2022. Le Vélo Vert produces organic fruits and vegetables using agro-ecological farming practices. In this way, Le Vélo Vert aims to empower local farmers and promote food security while adopting practices that mitigate climate change. MCB supports Le Vélo Vert with an annual sponsorship of Rs 1.5 million. This year, we developed a mobile app for local farmers, which they can use as a direct platform to sell their organic produce. The app will be launched in the upcoming financial year. In the year ahead, we will also sponsor two conferences to raise awareness about the benefits of agroecology among our employees as well as four planting/harvesting events.

VIII. Conservatoire Botanique National de Brest

This year, MCB established a long term partnership to conserve two of Mauritius' endangered endemic plant species. These species include the *Cylindrocline lorencei*, which has been labelled as extinct in the wild by the International Union for Conservation of Nature, and the *Hyophorbe amaricaulis* palm, which is on the brink of extinction. A total of € 30,750 has been awarded to run the conservation projects.

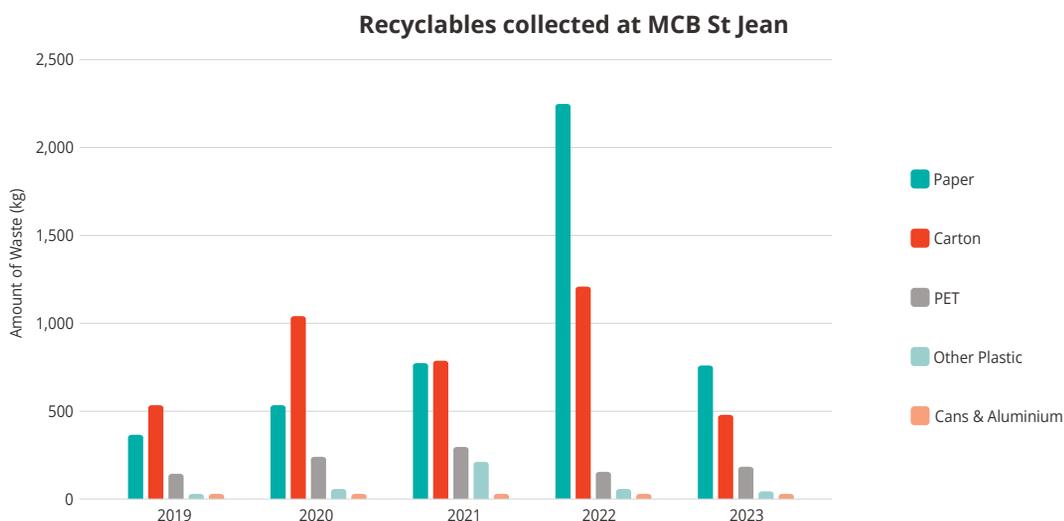
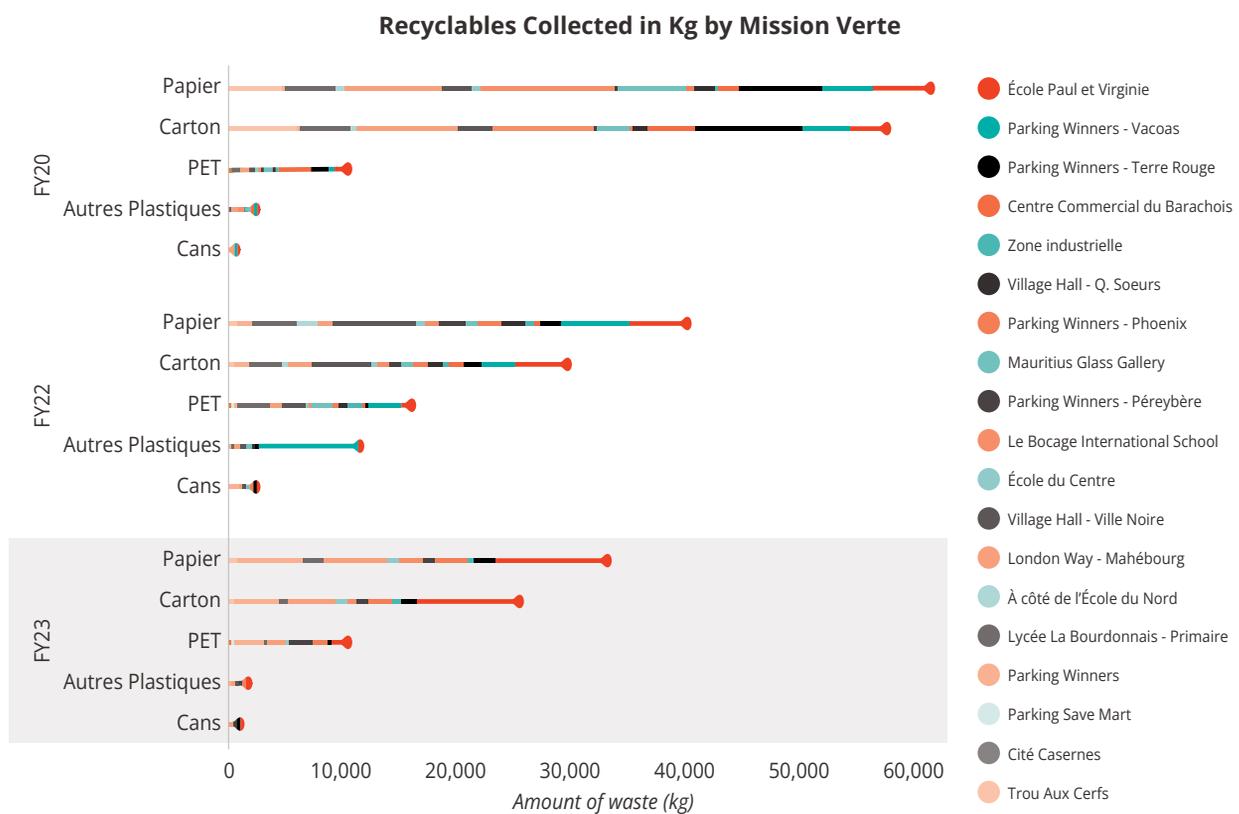
IX. Mission Verte

MCB partnered with Mission Verte, a local NGO that aims to protect the environment by raising public awareness about the importance of reducing, reusing, recycling and composting waste. MCB provides Mission Verte with an annual sponsorship of Rs 2 million, which is used to fund:

- Waste collection at 15 sites around the island, with **297** tonnes of recyclable waste collected since 2019
- Salaries of administrative staff who support Mission Verte's daily operations
- Awareness programmes at ten educational institutions around the island

We further sponsor a recycling container at MCB St Jean since 2019, with the objective to encourage our employees to recycle by providing recycling bins closer to their work space. Nine tonnes of waste have been collected through the collaboration.

Through our partnership with Mission Verte, a total of 306 tonnes of waste have been collected and diverted from landfill.



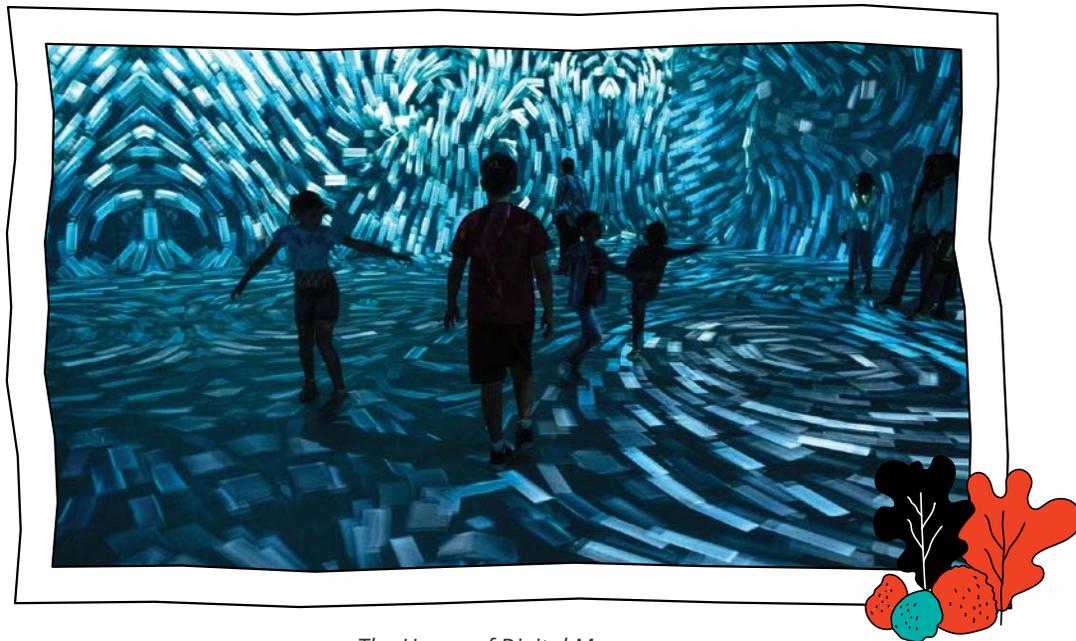
Arts and culture

The Blue Penny Museum is a local art and history museum wholly-devoted to Mauritius. During the year, we sponsored over 30 events and expos to showcase the work of local artists, reaching more than 60,000 residents and tourists.

Additionally, MCB invested in local cultural enrichment and entertainment, with the aim of connecting our clients to local artists. We sponsored 'Inavouable', a theatrical play by director Philippe Houbert. We further provided a partial sponsorship to support the production and promotion of a local film, 'The Blue Penny', underlining our commitment to the growth and development of the local film industry.

This year, MCB was one of the main sponsors of The House of Digital Museum, which is a pioneering cultural space embracing the dynamic intersection of art, technology, design and society.

This year, our total sponsorship for arts and culture stood around Rs 6.3 million¹.



The House of Digital Museum



Priorities for the year ahead

- Establish an ESG learning programme for employees at all levels that will be rolled out in 2024. This includes general awareness sessions and specialised training for MCB's leaders.
- Understand our climate-related risks and build a heatmap.
- Continue to support our various impact partnerships. This includes, for example, working alongside our partners to help them achieve even greater impact, supported by an internal working group. We will also look to establish new long-term partnerships.
- Consolidate active participation in the promotion of local arts, heritage and culture in Mauritius.

¹This amount excludes the running cost of The Blue Penny Museum.

Actions taken by other subsidiaries to promote responsible finance that supports environmental sustainability:

MCB Seychelles

MCB Seychelles revamped its Green Loan, which is available to small- and medium-sized enterprises and individual clients to enable sustainable investment through financing. Benefits include offering preferential interest rates, a 15-year repayment period as well as the option to finance up to 100% of the investment.

MCB Madagascar

MCB Madagascar continued its partnership with the Agence Française de Développement (AFD) to finance development projects under its green finance label SUNREF. In 2021, MCB Madagascar signed its first credit line of EUR 6 million with SUNREF. During the year, MCB Madagascar deployed projects that focused on, among other things, energy efficiency and solar installations as well as wastewater treatment. Additionally, MCB Madagascar hosted two workshops in partnership with SUNREF. This included a workshop on 'Green finance, a tool for reducing carbon emissions and the green economy, a lever for development in Madagascar' and a workshop on 'SUNREF: a tool to accelerate green projects and inspire success stories'. The workshops were open to individuals and businesses, with contributions from SUNREF's team of technical assistants and experts.

Actions taken by other subsidiaries to manage their direct environmental impacts:

MCB Seychelles

MCB Seychelles took steps during the year to reduce its carbon emissions by installing energy-efficient, motion sensor lights in its office bathroom facilities. To reduce its reliance on non-renewable electricity, the bank continued its project to install solar panels at its head office or alternative location, despite some delays this year. MCB Seychelles also replaced existing taps with sensor taps, which are designed to use less water. To support better waste management, the bank recycled discarded metal panels from ATMs into scrap metal. The bank continued to opt for digital rather than printed newspapers.

MCB Madagascar

To limit the use of plastic water bottles, MCB Madagascar installed water purification filters at its head office. MCB Madagascar continues to digitise customer and employee brochures to limit paper usage and printing. MCB Madagascar installed solar systems at three branches outside Tana for electricity generation and consumption.

MCB Consulting

As part of its sustainability approach, MCB Consulting promotes the use of environmentally-friendly materials and items. This year, MCB Consulting launched eco-pencils containing organic seeds that can be grown into vegetables. MCB Consulting continues to implement initiatives to reduce its operational footprint. This includes phasing out physical corporate business cards for digital business cards. MCB Consulting also maintains a green space at les Salines where for every 10,000 km travelled by its consultants, an endemic plant is introduced. This year, five endemic plants were introduced. Damaged batteries are collected by MCB Consulting and directed to appropriate recycling plants.

Actions taken by other subsidiaries to promote biodiversity conservation:

MCB Seychelles

MCB Seychelles installed solar panels at the nursery run by the Terrestrial Restoration Action Society of Seychelles (TRASS), which is based on Praslin island. The aim is to support the island's reforestation programme as the use of solar panels will reduce the cost of operating the nursery, which holds the largest collection of endemic plants in Seychelles.

MCB Madagascar

MCB Madagascar initiated a partnership with the Tany Meva Foundation, which aims to mobilise and finance projects with a positive impact on the sustainable management of natural resources. This is supported by the active involvement of local communities.

MCB Consulting

MCB Consulting continued to rollout its diving programme, launched last year. This programme aims to familiarise employees with local endangered lagoons and raise awareness about the importance of their preservation. The programme also encourages employees to engage in other submarine reef protection activities.

Actions taken by other subsidiaries to promote cultural heritage:

MCB Seychelles

To promote its national heritage and celebrate local produce, arts, and crafts, MCB Seychelles planted Vakwa trees which local craftsmen commonly use as a raw material. MCB Seychelles also participated in Breadfruit Day, which showcased the staple for its health benefits, cultural importance and economic potential. MCB Seychelles sponsored a group of local women artists by providing the logistical support to attend the Women's Pavilion art exhibition in Dubai. This experience gave the artists the opportunity to showcase their art internationally. Employees from the bank also participated in the Giant Aldabra Tortoise census on Curieuse, which was facilitated by the Seychelles Parks and Gardens Authority Research Unit. This census is critical to help understand the population trend as well as the tortoises' movements and distribution on the island.



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We recognise the importance of attracting and retaining engaged, motivated and committed employees to drive performance and enable the Group to deliver on its purpose, Success Beyond Numbers. To support our employees, we focus on creating an inclusive, safe and positive workplace with opportunities for career and personal development. Outside of our operations, we remain committed to building enterprising communities.

Alignment with the SDGs, UNGC, UNEP FI PRB



Supporting our employees



MCB Group employees

4,092*

(2022: 3,878)

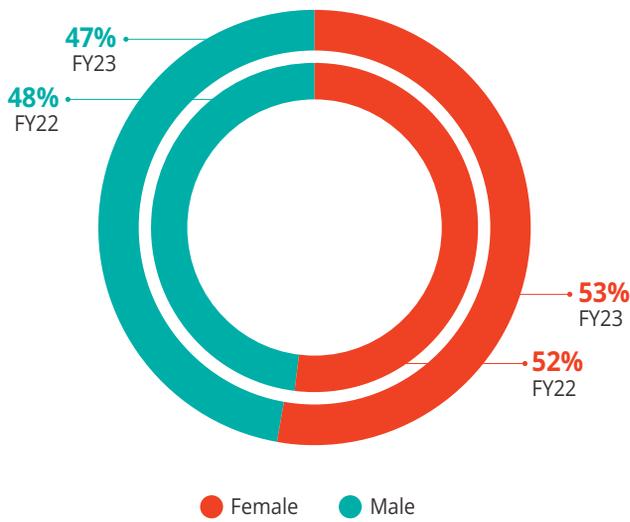
	MCB Ltd	Local subsidiaries	MCB Seychelles	MCB Madagascar	MCB Maldives
	3,291 (FY 2022: 3,126)	323 (FY 2022: 302)	200 (FY 2022: 195)	217 (FY 2022: 194)	61 (FY 2022: 61)

Women	Permanent	1,617	138	161	125	45
	Fixed term	81	8	0	0	1
		(FY 2022: 1,520)	(FY 2022: 135)	(FY 2022: 154)	(FY 2022: 105)	(FY 2022: 45)
		(FY 2022: 45)	(FY 2022: 4)	(FY 2022: 1)	(FY 2022: 0)	(FY 2022: 0)

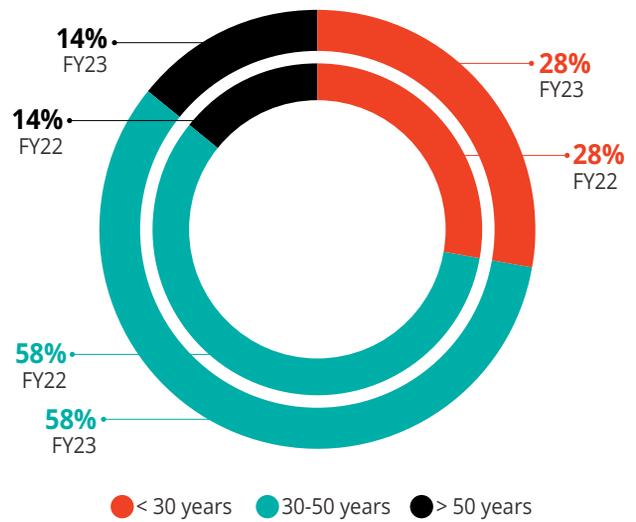
Men	Permanent	1,531	170	35	92	15
	Fixed term	62	7	4	0	0
		(FY 2022: 1,506)	(FY 2022: 161)	(FY 2022: 37)	(FY 2022: 89)	(FY 2022: 16)
		(FY 2022: 55)	(FY 2022: 2)	(FY 2022: 5)	(FY 2022: 0)	(FY 2022: 0)

* Figures are as at 30 June 2023.

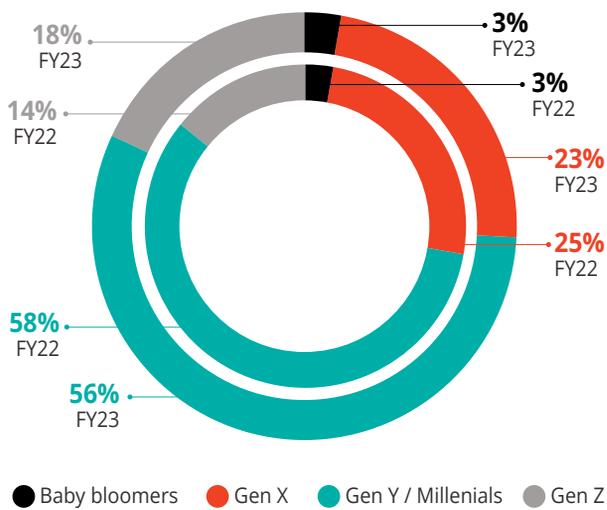
Gender distribution



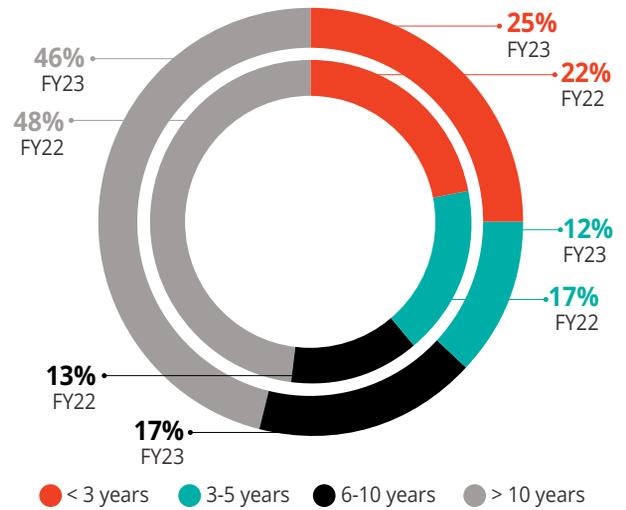
Age distribution



Generation type



Length of service



	Hire rate	Retention rate	Turnover rate
MCB Ltd	15% (FY 2022: 9%)	95% (FY 2022: 96%)	6.5% (FY 2022: 5%)
Local subsidiaries	22% (FY 2022: 13%)	90% (FY 2022: 93%)	10% (FY 2022: 10%)
MCB Seychelles	19% (FY 2022: 13%)	83% (FY 2022: 85%)	17% (FY 2022: 15%)
MCB Madagascar	23% (FY 2022: 39%)	91% (FY 2022: 83%)	13% (FY 2022: 14%)
MCB Maldives	36% (FY 2022: 26%)	72% (FY 2022: 84%)	39% (FY 2022: 16%)
MCB Group	16% (FY 2022: 11%)	92% (FY 2022: 95%)	11% (FY 2022: 6%)

Managing our human capital and significant human capital risks

We recognise the importance of positioning the Group as an employer of choice. We are evolving our talent management approach and human resources (HR) function to ensure these remain responsive to the needs of our employees and business.

The Head of Human Resources and the Head of Culture and Leadership Development drive our human capital strategy, supported by managers who oversee talent management, learning and development, performance management, culture development and remuneration.

Our HR Strategy Office provides oversight of the HR projects and initiatives we implement across the Group to ensure these remain on schedule and deliver the expected benefits and outcomes, as defined by MCB's overarching People Agenda (read more below).

As the Group offers new products and services and continues its expansion in the region, recruiting the required skills and competencies and retaining and developing our existing talent is paramount. This is quite challenging as Mauritius has a shortage of specialised skills. We have therefore identified talent management as a key risk and focus area for the Group. In response, we are embedding innovative and leading HR practices.

In July 2023, we launched our new MCB Career Architecture, a framework that defines each role within the Group and its purpose.

Our Career Architecture provides employees with greater transparency about their career options within the Group as it displays how we organise roles relative to their level, nature and purpose. Additionally, it gives employees access to tools and resources to help manage their professional and personal development.

Our MCB Career Architecture has three dimensions:

Job Family

A job family is a group of jobs **united by a common purpose and similar activities**. Jobs share **sufficient commonality regarding skills and knowledge** requirements and/or type of work content that we treat as one group.

Career Level

A career level represents the **hierarchical position** of a job within a career architecture and is used to differentiate career levels based on **predefined criteria**.

Career Track

Career track differentiates between jobs with a **specialist** or a **leadership** focus.

We adapted our talent management framework and succession plan to ensure these align with our Career Architecture and consolidated them to support our People Strategy. We also established Group HR Forums to provide spaces to share best practice and ensure that we align the execution of our People Strategy across all business units and subsidiaries. We are working towards aligning all job advertisements and our Career Architecture to enhance our recruitment process.

In addition to the Career Architecture, the following initiatives have been undertaken to further develop the workforce:

- A **Leadership Brand Statement**, which defines the behaviours we expect of our leaders to ensure that we execute our People Strategy effectively.
- An **Employee Value Proposition** that delivers a unique employee experience, enabling employees to grow and thrive within our organisation.

Our Career Architecture, Leadership Brand Statement and Employee Value Proposition are vital components in place to meet our promise of providing our employees with rewarding workplace experiences. We regularly measure how effectively we deliver on our employee promise via surveys and indexes. We also participate in the Great Place to Work Trust Index.

MCB's Corporate Culture Alignment Project

In 2022, we embarked on a significant culture alignment project across the Group. As part of this journey, we redefined our definition of 'success' and recognised that to win in the marketplace, we should win in the workplace. To achieve this, we are focused on building trust with our customers and colleagues, guided by 'Shared Ways of Working'.

We developed our 'Shared Ways of Working' following focus groups with hundreds of employees and with the senior leadership team. These 'Shared Ways of Working' comprise a set of behaviours that MCB believes are important to create trust internally and externally.



1. Make Things Simple

Our customers expect simplicity and ease of use. We should look at everything we do through this lens and become the easiest Bank to do business with.



2. Act Responsibly

Our customers and key external stakeholders have high expectations of us and want us to act responsibly. Our processes should be robust, and risk management should be first-class. We are embracing the highest standards when it comes to cyber security and fraud prevention.



3. Push Boundaries

It is important that we invest in innovations that can transform what we offer our customers and change the way we create value.



4. Create Positive Impact

We are seeking to be a force for good in all the communities where we are present. Led by our purpose, we strive to serve others, champion causes we believe in, and do good in all we are engaged in.



5. Build Partnerships

Working as a unified team is core to providing exceptional customer service.

We are embedding our 'Shared Ways of Working' across the business in three key ways:

1.

Top-Down

We introduced new expectations and Gold Standard Management routine for all People Managers across the Group so they can foster a team environment where employees embrace our 'Shared Ways of Working'. We launched an executive-level forum on culture, including 15 leaders from across the Group who meet monthly to create energy and excitement around our culture alignment journey.

2.

Bottom-Up

We engage with our employees in two-way dialogue to ensure we can listen to and support their ideas. We are supporting our employees via an internal blog with weekly messages on culture from a range of leaders from across the Group.

3.

Side-to-Side

We are reviewing our people processes to ensure they align with our 'Shared Ways of Working'. We have reshaped our recruitment process and introduced new and flexible workplace policies. We are enhancing our performance management systems and rethinking our approach to remuneration and reward. This includes building a scorecard that identifies culture as a core outcome for executives.

We understand the importance of measuring and tracking our culture alignment journey to ensure it delivers the desired outcomes. We are therefore becoming increasingly data-driven.

This year, we initiated a quarterly survey to measure progress through Great Place to Work. We also partnered with one of the world's leading experts on people analytics to ensure that our leaders and employees have access to data and insights that will help strengthen and shape our culture for the benefit of our customers.



Priorities for the year ahead

We will further align our processes to ensure that our desired 'Shared Ways of Working' are reinforced among our employees and leaders. We will measure the impact of our culture change journey on our employees' engagement levels and our customers. We will strengthen our culture through new high-potential training and development programmes to improve our Group-wide people management capability.

Workforce diversity and inclusion

The Group believes in equal opportunity for all employees.

In 2013, we developed an Equal Opportunity Policy.

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

In 2019, we committed to increase women in management.

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

In 2021, we established the Gender Equality Charter.

The MCB Gender Equality Charter demonstrates our commitment to implement and promote gender-related practices. We also participated in the Gender Diversity Charter of the Africa CEO Forum Women Working for Change in 2019.

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

Our Gender Equality Charter consists of nine principles, which drive the gender action plan. We built the gender action plan on the outcomes of the gender equality self-assessment conducted by the Agence Française de Développement in 2019.

Some of the key initiatives and projects implemented during the year are unpacked below:

Principle 1

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

- Following the 'Allies for Change' training for MCB's leaders last year, we created an 'Allies for Change Forum' where leaders can discuss progress against our target and how we can improve women's representation within management.
- We provided training on unconscious bias via our online learning platform.
- We introduced gender-related objectives in each SBU, including identifying opportunities to showcase women in the workplace through talks and presentations and encouraging women to participate in career fairs.
- We are signatory of the National Committee on Corporate Governance's Diversity, Equity and Inclusion Charter.

Principle 2

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

- We are enhancing our recruitment process to reduce gender bias during the selection process and among the assessment panel. This includes ensuring a gender-balanced shortlist of candidates and gender-balanced panels.
- We also provided training on unconscious bias to all HR employees.

Principle 3

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

- We designed an online training course to raise awareness about the responsibilities and behaviours employees should adopt in line with the 'Violence at Work' national regulations. 61% of our employees completed the training this year.

Principle 4

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

- We continue to monitor the gender pay gap across the Bank to ensure minimal gaps at all levels. In August 2023, we contracted the EQUAL-SALARY Foundation to conduct a gender pay gap audit and help us to achieve EQUAL-SALARY certification. Read more about our approach to fair and responsible remuneration on page 45.

Principle 5

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

- 55 women completed our Women in Leadership Programme this year, which aims to equip women with the skills and competencies to fulfil managerial roles. The Charles Telfair Leadership Academy of the Curtin University designed and delivered the programme, and we have enrolled 60 women for FY 2024.
- Last year, we launched Lean In Circles, and around 120 women participated in these circles. We aim to grow our membership to 200 women in the year ahead. We also hosted a networking event to facilitate meaningful and high-impact conversations among our women employees. More than 100 women attended this event.
- We introduced customised learning journeys for women that we offered through our Lead with Impact Academy.
- We are reviewing the composition of our Board and various Board Committees to increase women's participation.

Principle 6

Provide flexibility to employees to create a work schedule that balances work and personal life and caters for their personal commitments.

- We continue to offer lactation rooms at MCB sites in Mauritius to encourage new mothers to continue breastfeeding.

Principle 7

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

- We have a long-standing partnership with the Association Mauricienne des Femmes Chefs d'Entreprise (AMFCE), which brings together women business owners from all sectors of the Mauritian economy to support the development and advancement of women. We continue to support AMFCE's 'Business without Borders' digital mentoring programme. This year, we also supported the inaugural Women Entrepreneurs Awards. We participated in and sponsored multiple workshops to raise awareness about the financial products and services available to women entrepreneurs to help them manage and promote their businesses.

Principle 8

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

- We undertake various initiatives to empower women and girls through the MCB Forward Foundation. Read more about what we do through the MCB Forward Foundation on page 98.

Principle 9

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

- We undertook a data analysis and provided a report on progress against our target to our Chief Executives and other key stakeholders within the Group.

Gender equality progress (MCB Ltd)

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



FY 2022: 27%

FY 2021: 30%

FY 2022: 29%

FY 2023: 31%

Workforce diversity by job position (MCB Ltd)



Women



Men

	Women	Men
Business Executive	0% (FY 2022: 0%)	100% (FY 2022: 100%)
Business Leader	25% (FY 2022: 24%)	75% (FY 2022: 76%)
Business Manager	33% (FY 2022: 31%)	67% (FY 2022: 69%)
Business Professional	43% (FY 2022: 43%)	57% (FY 2022: 57%)
Business Associate	53% (FY 2022: 51%)	47% (FY 2022: 49%)
Business Support	68% (FY 2022: 67%)	32% (FY 2022: 33%)
Technical	2% (FY 2022: 1%)	98% (FY 2022: 99%)
Others	60%	40%

As from next reporting year, the above table will be reviewed to align to the Career Architecture framework.

Women in leadership roles at MCB Ltd

31%

Women at middle and senior management levels as at 30 June 2023

(FY 2022: 29%)

6

Business Leaders

(FY 2022: 6)

52

Business Managers

(FY 2022: 50)

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

* Figures as at 30 June 2023

Employee engagement

Our long-term success is driven by the ambition, commitment and performance of our people.

Last year, we conducted the Trust Index, an engagement survey administered by Great Place to Work. The Trust Index determines the level of trust employees experience in their leaders, their pride in their jobs, and the extent to which they enjoy their colleagues.

We identified key areas to improve employee experience and engagement after the survey. We focused on addressing these focus areas during the year, including:

- Designing our new MCB Career Architecture
- Reviewing our Employee Value Proposition
- Launching a culture change journey to reinforce and build a high-performance culture
- Designing and implementing a Learning Academy with a specific focus on developing specialised, digital and essential learning journeys
- Crafting and implementing a roadmap to boost employee well-being
- Operationalising our flexible working arrangements
- Pursuing progress on our gender action plan
- Bolstering our leadership through dedicated programmes
- Action planning devised by each business unit focusing on sector-specific improvement areas

Talent development

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

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

Our **Digital Academy** was established in 2020 to support the Group's digital transformation journey. It focuses on building the necessary capabilities and mindset to drive digital transformation by offering bespoke learning journeys that upskill, reskill and multiskill MCB's employees.

Our **Lead with Impact Academy** aims to upskill our Leaders and People Managers at all levels within the Group to foster an environment where talent is nurtured and further developed. A key focus for the past year was our People Managers Programme, which covers various topics to equip our People Managers with the skills they need to thrive. This includes, for example, undertaking courses on managing conflict, building emotional leadership skills, and learning how to coach individuals to enhance team performance and individual growth. This year, 432 People Managers embarked on the programme.

Grow! focuses on People Managers who play an essential role in building and multiplying talent through bespoke development journeys that support stronger succession planning for key strategic roles within the organisation.

Our **Beyond Numbers Graduate Programme** supports our strategic drive to strengthen our junior talent pipeline by recruiting graduates with critical skill sets who demonstrate the potential to grow within the Group. This year, we selected six graduates to take part in this programme.

We provide a **Study Assistance Scheme** to employees who want to advance their knowledge and obtain additional qualifications. The scheme helps employees make informed choices aligned with the organisation's capabilities requirements by providing guidance and financial support.

We offer various **Specialised Learning Journeys** that we co-create with subject matter experts to provide employees with in-depth knowledge and training on specific topics. Journeys vary from a few weeks to several months and include courses on trade finance, renewable finance, treasury management, credit analysis and bank credit risk, among others.

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

We further provided our technical employees access to two additional online learning platforms (DataCamp and PluralSight) to enhance and expand their technological capabilities.

Furthermore, the KnowBe4 platform is continuously being used by SBUs to promote online training on matters such as cyber security, compliance and fraud prevention, among others.

Data on the use of Percipio online learning platform*:

77%	3,150	19,199	4.6	14,465
Employees who have accessed the platform	Employees are making use of the platform	Learning content completed	Hours per user spent on learning	Hours spent on learning content
(FY 2022: 83%)	(FY 2022: 3,212)	(FY 2022: 23,599)	(FY 2022: 5.5)	(FY 2022: 16,621)

With restrictions being lifted post the pandemic, we resumed classroom and face-to-face training. Highlights for the past year include*:

2,131	339	24.8	52,830
Employees made use of classroom and face-to-face training	Learning content completed	Hours per user spent on learning	Hours spent on learning content
(FY 2022: 1,194)	(FY 2022: 168)	(FY 2022: 14.1)	(FY 2022: 16,810)

* Statistics reflect 1 July 2022 to 30 June 2023.

The Group invested Rs 69 million in employee training for the past financial year (2022: Rs 48 million).

Well-being at work

We believe it is vital to support employee well-being. Our holistic approach to well-being considers work-life balance, stress management and physical and emotional health, among others.

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

Key activities for the past year:

- Promoted our dedicated wellness page, '**Nu baz Wellness**', on our online collaborative platform, Workplace. This year, we registered 2,700 employees as members of 'Nu baz Wellness' and saw a significant increase in the number of posts, comments and reactions made on the page.
- Conducted **wellness roadshows** across the Group and interviewed specialists on key wellness themes.
- Continued to offer our employees individual consultations with part-time psychologists. We conducted **mental health awareness sessions** with People Managers.
- Undertook **ergonomic assessments** of our employees' workstations.
- Continued to offer **outdoor activities**, such as hiking, open to all employees and their families. A wellness health track remains operational at MCB St. Jean.
- Implemented a review process for medical procedures required by employees. We also implemented our **revised Work from Home Policy**.
- Hosted a **Wellness Fair** that included health screenings and talks. More than 750 employees visited the fair over three days.
- Maintained the **MCB Group Employee Solidarity Fund** to provide financial assistance to the Group's employees who experience financial hardship due to unexpected and challenging emergencies.

Employee health and safety

We remain committed to providing our employees with a healthy and safe working environment.

We proactively manage health and safety risks and implement preventive actions to keep our employees healthy and safe in the workplace. We provide training to employees to ensure they are aware of health and safety matters and understand potential risks, and we equip them with knowledge on how to manage these risks. We undertook an ergonomic assessment during the year and the results will be available in the new financial year.

We collaborate with Médecin à Domicile, a healthcare organisation that provides medical services to our employees. These services include onsite doctor consultations, remote medical assistance, advice by telephone, and home visits, as and when required. In 2023, we recorded 369 onsite consultations and 347 visits to the onsite psychological service.

During the year, MCB Group in Mauritius recorded 20 (FY 2022: 4) injuries that corresponded to 249 (FY 2022: 21) lost workdays, mainly caused by slip and fall, and cuts.

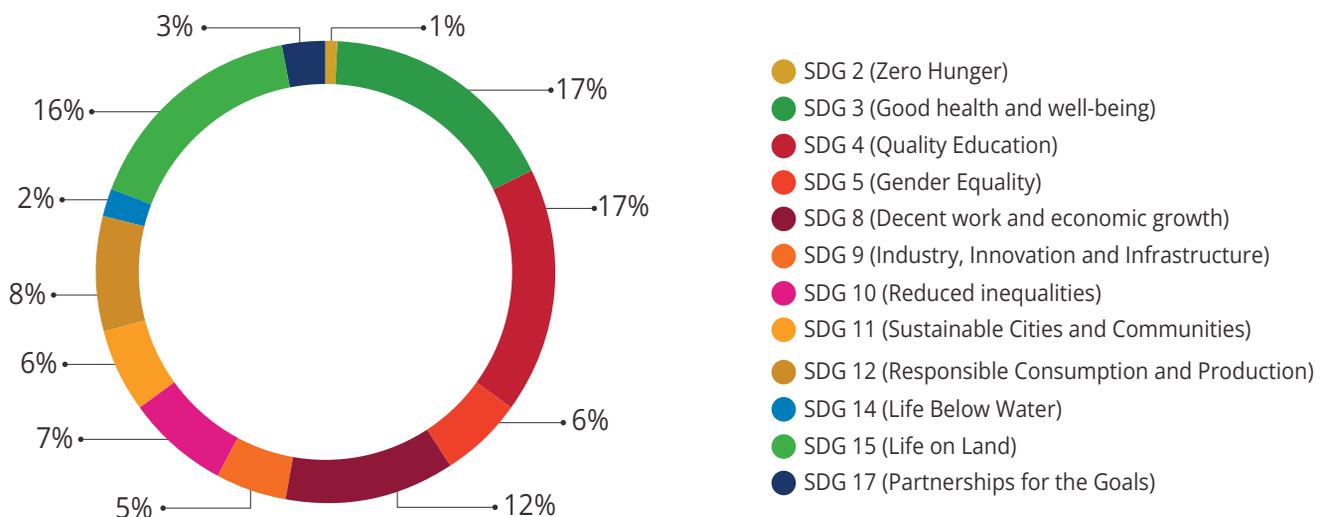
MCB Group (Mauritius)	Men	Women	Total
Number of injuries	11	9	20
Number of injury leave days	128	121	249

Supporting our communities

MCB Forward Foundation

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

MCBFF reviewed its strategy during the year to ensure it aligned with the SDGs and Mauritius' local development agenda. This includes supporting sustainable solutions nationally and at the grassroots level. MCBFF prioritises 12 of the 17 SDGs and allocates a percentage of our funds to each goal:



This year, MCBFF engaged in projects supporting our chosen SDGs across categories, including socio-economic development, education and training, health and well-being, environment and sustainable development, and supporting people with disabilities. We track the impact and value of each project using key performance indicators that align with the targets of our chosen SDGs.

The MCBFF invested Rs 73 million (FY 2022: Rs 63.5 million) in 30 projects (FY 2022: 40), 10 of which are ongoing.

We are committed to providing support to help address poverty in the other countries where we operate. During the year, MCB Madagascar continued collaborating with the Adventist Development and Relief Agency (ADRA). This global humanitarian organisation delivers relief and development to individuals in more than 115 countries worldwide. MCB Madagascar and ADRA assisted families suffering from famine, reaching more than 3,000 individuals. MCB Madagascar invested USD 22,339 this year in support of this initiative.

Community support in action

Socio-economic development



- **Not a Number** is an NGO focused on resettling ex-detainees and addressing key factors that increase the risk of reoffending. We invested Rs 1.1 million, and the project supported 60 detainees in 2023.
- **Link to Life** supports people diagnosed with cancer. Rs 1 million in funding was used to provide psychological support services to 500 individuals, transport 600 patients (including 200 children), and drive an awareness campaign with an estimated reach of 3,000 individuals.
- **MCB Football Academy** is a long-standing project of MCBFF. This year, we supported MCB Football Academy with a total sponsorship of Rs 4.5 million that was used to provide health screening for 69 children and education screening for 74 children and to support a partnership with the Fondation Cours Jeanne d'Arc to provide additional educational support to nine children from the Academy.
- We supported **MCB agro-ecological community farm**, located at Riche-en-Eau, with an investment of Rs 2.9 million. An additional 20 individuals (11 women) were recruited to work on the farm. The farm is now selling its produce to MCB and individual customers, with sales amounting to Rs 97,000 in 2023.
- **Boutique Solidaire Project, located at Camp Levieux**, enables low-income families to purchase necessities at a reduced price. Twenty families benefitted from this project over 30 days, supported by an investment of Rs 278,000.
- MCBFF invested Rs 800,000 on a project to support SMEs in 2022 through **work-orientated life skills programmes**. Twelve entrepreneurs participated in this programme, and seven found full-time employment in 2023.

Education and training



- MCBFF funded a **collaborative platform** that enables NGOs to share knowledge, learnings and best practices. We invested Rs 844,000, and 13 NGOs leveraged the platform this year.
- **Action for Economic and Social Development** is a project that provides online training to technical students. MCBFF invested Rs 1.4 million, and 200 students and 20 teachers benefited from the project this year.
- **The Adolescent Non-Formal Education Network** (ANFEN) provides informal education to around 1,000 vulnerable adolescents outside the traditional school circuit. Rs 2.5 million in funding was used to set up pastry classes, and 12 students were enrolled in these classes after completing their education through ANFEN.
- **MCB Rodrigues Scholarship** enables students to pursue tertiary studies at the University of Mauritius. Five scholarships to the tune of Rs 144,000 were awarded in 2023 in the fields of civil engineering, mechanical engineering, computer science and psychology.

Health and well-being



- **Autisme Maurice** is an NGO that supports individuals living with autism. Rs 1 million in funding was used to purchase specialised classroom equipment and educational toys and to establish a sensory room for children on the autism spectrum.

Environment and sustainable development



- **Mauritian Wildlife Foundation** is an NGO focused on conserving and preserving the nation's endangered plant and animal species. Rs 7.6 million was used for a three-year conservation project (2020 to 2023). During this time, 40,000 endemic trees were planted, and full-time employment was found for three parents of children from the MCB Football Academy.
- **Shoals Rodrigues** is a coral restoration programme in the eastern lagoons of Rodrigues that aims to mitigate the impacts of climate change. We invested Rs 136,000, and 138 corals were planted this year against a target of 500.

Supporting people with disabilities



- MCBFF invested Rs 2.5 million in establishing the **François Piat Centre for Disability Studies and Research**, a training and research centre focused on achieving equality and social justice for people with disabilities.

Celebrating the 15-year anniversary of the MCB Football Academy: helping children thrive and achieve their ambitions

Established in 2008 in the small village of St-Hilaire, the MCBFF launched the MCB Football Academy as a social initiative to promote childhood development through sports, mentorship and education.

The Academy has five key focus areas



Parents

Parents play an important role in the education and development of their children. Through the Academy, individuals are empowered to embrace their responsibilities as parents and citizens.



Personal development

The Academy supports children's personal development, health, mental and emotional well-being.



Football

Children train under the supervision of qualified trainers from the Mauritius Football Association. Sport empowers individuals with values such as integrity, teamwork, trust and respect.



Education

All children must attend school to become a member of the MCB Football Academy. The MCBFF monitors the children's education in partnership with the institutions they attend.



Community

It is central to MCB Football Academy's philosophy that individuals support community-based projects and give back to local communities. Projects include Boutique Solidaire and MCB agro-ecological farm.

Once children complete their personal development programme, the most promising athletes join the Academy's 'MCB Elite' academy for further sports training and mentorship. From there, they can join other football academies, such as the Liverpool Football Academy or the National Technical Centre.



In the past 15 years, the MCB Football Academy has achieved several key milestones:

2,800

children

Have been enrolled at the MCB Football Academy over the last 15 years

7

training academies

Have been established, with four training academies in Mauritius and three in Rodrigues

82

young people

Have joined the 'MCB Elite' academy since it was established in 2016

In Mauritius, a lack of paediatric psychiatrists challenges the importance of caring for children's mental health. To help address this challenge, the **MCB Forward Foundation launched Mauritius' first child psychiatry service** in 2018, in collaboration with local NGO OpenMind. This service is now available to children enrolled in the MCB Football Academy as well as to members of the public.

MCB Football Academy has greatly enhanced the education of children enrolled in the Academy, with a focus on **children who require mental or emotional educational support**. These children are removed from mainstream schools and channelled to special needs schools or technical academies that use appropriate teaching methodologies to address their needs. They also have access to psychological services to build their confidence.

In 2018, a group of **14 children from the MCB Football Academy went to Germany** where they had the opportunity to tour the country and compete against local football teams. This trip was significant for the children's personal development, boosting their confidence and broadening their horizons.



To celebrate the 15-year anniversary of the MCB Football Academy, we held a graduation ceremony for 12 young people enrolled at the Academy. These young hopefuls were accompanied by their parents and mentors.



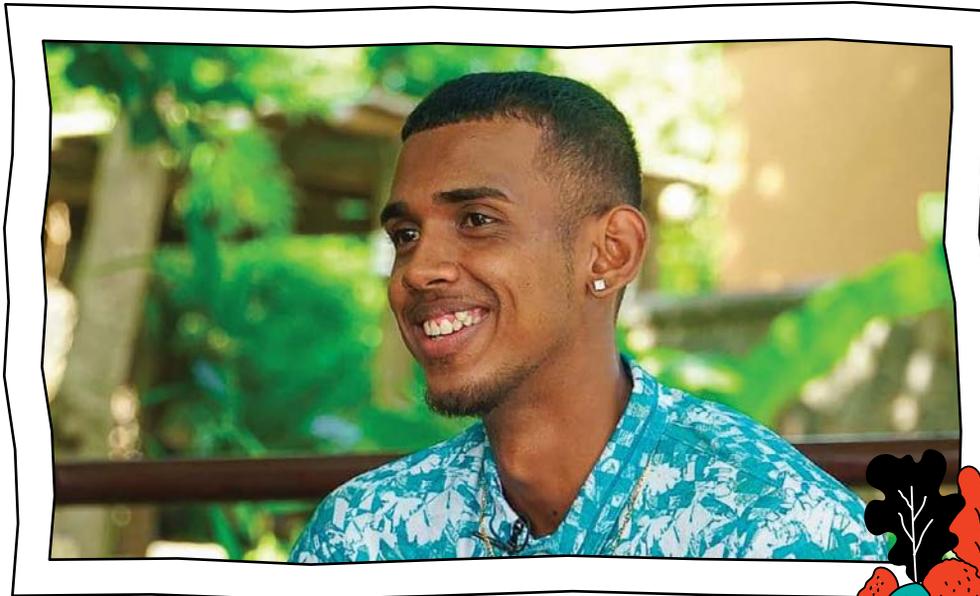
At MCB Football Academy, we firmly believe that sporting excellence can only go hand in hand with a solid education and harmonious integration into society. We don't just train players; we shape the future, instilling values that go beyond the pitch. The success of these young talents is a living testimony to excellence, determination and passion!"

Gilbert Gnany,
Chief Strategy Officer of the MCB Group

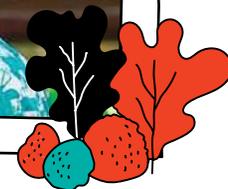


Through the MCB Football Academy, we have the great privilege of partnering with children and their families. We are invited into their lives to share their successes and challenges, experience their highs and lows and see how the children mature and overcome adversity. The MCB Football Academy is not only about football. It is a personal journey that we walk together with children and their families on equal footing. We are also seeing the rise of ambassadors who have passed through our doors and are now raising their hands to join us again as volunteers, coaches and more. It is tremendous to be celebrating 15 years of the Academy, and we look forward to the next 15 years of journeying alongside children, families and communities."

Juliette Francois-Assonne,
CSR Administrator of the MCB Group



Local musician, Ryan Trapu, who is a graduate of the MCB Football Academy is pictured. Ryan Trapu is collaborating with the Academy to celebrate its 15-year anniversary.



Getting our people involved

The MCBFF coordinates our social leave programme, which we launched in 2019. The programme empowers our people to take one paid leave day each year to volunteer for non-profit organisations. Whether planting, painting, cleaning, sorting or even keeping company, no action is too trivial. By allowing our people to support community partners, we are doing more good together.

During the year, 118 employees participated in activities organised by the MCBFF.

- Employees prepared refreshments and take-away dinners for MCB Football Academy's Elite team and their families.
- Employees visited the Ebony Forest reserve and assisted with propagating and weeding exotic plants.
- Employees assisted with We-Recycle's clean-up mission at Trou-Chenille in Le Morne.
- In partnership with the Mauritian Wildlife Foundation, employees assisted with maintaining and clearing pathways at Ile aux Aigrettes.
- Employees spent the day with the residents of the BPS Residential Care Home. Volunteers also brought gifts and Christmas decorations.





Priorities for the year ahead

- Rollout training on unconscious bias for employees and Hiring Managers and violence at work training for our People Managers. Rollout Allies for Change Workshops among our Business Managers to strengthen leadership accountability and ownership across the Group.
- Complete our EQUAL-SALARY certification process.
- Extend relevant gender-related initiatives among our subsidiaries, including, for example, maternity and paternity leave.
- Calibrate our gender action plan following the launch of our new Career Architecture.
- Foster talent mobility through our new Career Architecture to enrich employees' experiences and roles.
- Launch a Career Conversation Framework with relevant tools and resources to help employees reflect on their career goals and set up development plans.
- Launch an Online Learning Catalogue providing many online and in-person learning opportunities.
- Operationalise our Talent Management Cycle, which will promote participation in career fairs and discussion forums to identify and recruit high-potential individuals.
- Review our MCB Rewards Strategy and enhance our performance management systems to support our 'Shared Ways of Working'.
- Ensure a continued focus on driving physical, financial, social, mental and occupational wellness among our employees.

Actions taken by other subsidiaries to support employees:

MCB Seychelles

To support MCB's culture change journey, MCB Seychelles launched the 'Shared Ways of Working' among its employees.

MCB Seychelles continued to offer various learning and development programmes to its employees. This included training on MCB's digital learning platform, Percipio, cyber security training and training for retail banking employees. The bank's team leaders were enrolled in the Lead With Impact Academy, a comprehensive development programme designed to evaluate and fulfil their individual needs, including enhancing their self-knowledge and people management skills. MCB Seychelles further invested in the training of its employees through online and classroom sessions while rekindling social activities post the lifting of Covid-19 restrictions.

In addition to learning and development, MCB Seychelles supported employee well-being by offering free medical screenings and eye tests, hosting self-care and well-being workshops with team leaders, and rolling out a bank-wide employee wellness programme focused on stress management and building a culture of well-being. These initiatives were supported by the formation of an Employee Wellness Committee, which will oversee the bank's employee wellness practices. MCB Seychelles also offered health and safety training, with an additional 23 volunteers from across the bank obtaining first aid certification. MCB Seychelles ran refresher sessions on its Equal Opportunity Policy.

MCB Maldives

MCB Maldives hosted various activities this year to promote employee engagement, including interoffice gatherings and sporting events. MCB Maldives continued to promote the use of our online collaborative platform Workplace and appointed 'Workplace Champions' to drive engagement and utilisation. MCB Maldives also focused on supporting employees through training and development programmes. This included leveraging the bank's talent management programme, Grow! as well as enrolling employees in additional training on trade finance, anti-money laundering and more. A specific focus was placed on training high-potential graduates to support succession planning and talent attraction. MCB Maldives established an Employee Wellness Committee this year to boost the business's employee well-being strategy and wellness approach.

MCB Madagascar

Select employees were enrolled in training and development courses related to banking and people management. MCB Madagascar also ran resilience and burn-out sessions for all employees, including access to yoga classes.

MCB Consulting

MCB Consulting initiated various activities during the year to support employees. This included an ongoing focus on learning and development by providing access to digital learning materials through the Temenos Learning Centre. To ensure employees are supported, MCB Consulting's Health and Safety Officer undertook specific training on how to promote and protect psychological health in the workplace. Employees can access health services that include general health and wellness checks, nutritional experts and eye tests. MCB Consulting also onboarded a fitness coach who runs weekly fitness sessions with employees. Efforts to promote a culture of inclusion and diversity are ongoing. This year, MCB Consulting created a 'playroom' for its employees that caters for the different entertainment needs of the business's multi-generational workforce. MCB Consulting also hosted various activities this year to promote employee engagement, including interoffice gatherings and sporting events.

Actions taken by other subsidiaries to support communities:

MCB Seychelles

MCB Seychelles launched the Elderly Vision Project in partnership with local businesses to equip a group of elders from all three islands with spectacles. The bank covered the cost of the logistics and the prescription glasses, while Seychelles Optics provided free eye testing to over 80 elders. Assisting these elders in achieving better eyesight was the first step in restoring their independence and improving their overall quality of life. MCB Seychelles also participated in World Heart Day to spread awareness on the importance of maintaining a healthy lifestyle. The bank continued to support sports development and youth empowerment through sponsorships, among other things.

MCB Madagascar

MCB Madagascar donated Rs 5 per kilometre covered by each trail runner who took part in the 13th edition of the Ultra-Trail des Ô Plateaux (UTOP). UTOP is an annual trail run across Madagascar's central highlands that has been ongoing since 2009. All money raised was donated to ADRA, who helped supply remote villages that fall along the UTOP trail with water. 2,500 runners took part this year, including 75 MCB Madagascar employees. MCB Madagascar continued its partnership with ADRA to assist families suffering from famine. This partnership was launched in 2021 and includes a focus on food distribution, the installation of solar-powered water wells and the distribution of fruit and vegetable seeds for sale or self-consumption. Read more on page 99. In addition to its partnership with ADRA, MCB Madagascar partnered with Pilalao, a toy library in Madagascar, as part of its donation to the Felana Maintso Ambohibai orphanage. Employees were encouraged to donate blood in partnership with the Madagascar Red Cross.

MCB Consulting

In collaboration with the MCB Forward Foundation, MCB Consulting continued its three-year partnership with Caritas Solitude that was launched last year. Caritas Solitude is a solidarity network of more than one thousand volunteers who serve roughly 50,000 direct and indirect beneficiaries throughout Mauritius and Rodrigues. This year, MCB Consulting organised a Christmas party for 20 children from the Caritas Solitude Centre d'Eveil.



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UNEP FI Principles for Responsible Banking	114



GRI content index

MCB Group has reported the information cited in this GRI content index for the period 1 July 2022 to 30 June 2023 in accordance with the GRI Standards 2021.

GRI Standard	Disclosure	Location	
GRI 2: General Disclosures 2021	2-1	Organisational details	Please refer to MCB Group Annual Report 2023 available on https://www.mcbgroup.com/
	2-2	Entities included in the organisation's sustainability reporting	Page 10 with a particular focus on MCB Ltd, MCB Seychelles, MCB Madagascar, MCB Maldives and MCB Consulting
	2-3	Reporting period, frequency and contact point	Page 8
	2-4	Restatements of information	There are no restatements of information.
	2-5	External assurance	The organisation has decided not to seek external assurance for the report.
	2-6	Activities, value chain and other business relationships	Page 28 - MCB Group Limited Annual Report 2023 available on mcbgroup.com
	2-7	Employees	Page 87
	2-8	Workers who are not employees	The organisation will provide detailed information when it is ready.
	2-9	Governance structure and composition	Page 29; Pages 34-36 and Corporate Governance Report of MCB Group Limited Annual Report 2023 available on mcbgroup.com
	2-10	Nomination and selection of the highest governance body	Pages 14-15 - MCB Group Limited Annual Report 2023 available on https://www.mcbgroup.com/
	2-11	Chair of the highest governance body	Page 29 Please check Corporate Governance Report as from Page 99 of MCB Group Limited Annual Report 2023 available on mcbgroup.com
	2-12	Role of the highest governance body in overseeing the management of impacts	Page 29 Please check Corporate Governance Report as from Page 99 of MCB Group Limited Annual Report 2023 available on mcbgroup.com
	2-13	Delegation of responsibility for managing impacts	Page 29 (Governance approach) Please check Corporate Governance Report as from Page 99 of MCB Group Limited Annual Report 2023 available on mcbgroup.com
	2-14	Role of the highest governance body in sustainability reporting	Page 29 (Governance approach) The Corporate Sustainability Committee reviews and approves the sustainability report.

GRI Standard	Disclosure	Location	
GRI 2: General Disclosures 2021	2-15	Conflicts of interest	Page 125 - MCB Group Limited Annual Report 2023 available on https://mcbgroup.com/
	2-16	Communication of critical concerns	Critical concerns (if any) are channeled to internal stakeholders.
	2-17	Collective knowledge of the highest governance body	Please check Corporate Governance Report as from Page 99 of MCB Group Limited Annual Report 2023 available on mcbgroup.com
	2-18	Evaluation of the performance of the highest governance body	Please check Corporate Governance Report as from Page 99 of MCB Group Limited Annual Report 2023 available on mcbgroup.com
	2-19	Remuneration policies	Page 121 of Corporate Governance Report of MCB Group Limited Annual Report 2023
	2-20	Process to determine remuneration	As from Page 121 of Corporate Governance Report of MCB Group Limited Annual Report 2023
	2-21	Annual total compensation ratio	The organisation will communicate on this ratio when it is ready.
	2-22	Statement on sustainable development strategy	Pages 6, 16-23
	2-23	Policy commitments	Pages 36; 42-46 (Responsible behaviour)
	2-24	Embedding policy commitments	Pages 36; 42-46 (Responsible behaviour)
	2-25	Processes to remediate negative impacts	Pages 36; 42-46 (Responsible behaviour)
	2-26	Mechanisms for seeking advice and raising concerns	Pages 36; 42-46 (Responsible behaviour)
	2-27	Compliance with laws and regulations	Pages 36; 42-46 (Responsible behaviour)
	2-28	Membership associations	Page 11
	2-29	Approach to stakeholder engagement	Please refer to the Risk and Capital Management Report of MCB Group Limited Annual Report 2023 available on mcbgroup.com
2-30	Collective bargaining agreements	60% of employees are covered by collective bargaining agreements (excluding overseas subsidiaries)	
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Pages 26-27
	3-2	List of material topics	Pages 26-28
	3-3	Management of material topics	Pages 26-29
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Page 12

GRI Standard	Disclosure	Location
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Please refer to MCB Group Annual Report 2023 available on https://www.mcbgroup.com/
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 59
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 42
	205-2 Communication and training about anti-corruption policies and procedures	Page 42
	205-3 Confirmed incidents of corruption and actions taken	Page 42
GRI 207: Tax 2019	207-1 Approach to tax	Pages 43-44
	207-2 Tax governance, control, and risk management	Pages 43-44 Please refer to Risk and Capital Management Report of MCB Group Limited Annual Report 2023 available on mcbgroup.com
	207-3 Stakeholder engagement and management of concerns related to tax	Pages 48-49 Please refer to Risk and Capital Management Report of MCB Group Limited Annual Report 2023 available on mcbgroup.com
	207-4 Country-by-country reporting	Pages 43-44
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Pages 75-76
	302-3 Energy intensity	Pages 75-76
	302-4 Reduction of energy consumption	Pages 75-76
GRI 303: Water and Effluents 2018	303-5 Water consumption	Page 77
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	This is not a material topic for the Group
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	This is not a material topic for the Group
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 75
	305-2 Energy indirect (Scope 2) GHG emissions	Page 75
	305-3 Other indirect (Scope 3) GHG emissions	Page 75
	305-5 Reduction of GHG emissions	Page 75
GRI 306: Waste 2020	306-3 Waste generated	Page 78
	306-4 Waste diverted from disposal	Page 78; 82
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 89
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	This is not a material topic for the Group

GRI Standard	Disclosure	Location
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 98
	403-2 Hazard identification, risk assessment, and incident investigation	Page 98
	403-3 Occupational health services	Page 98
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 98
	403-5 Worker training on occupational health and safety	This is not presently disclosed by the Group
	403-6 Promotion of worker health	Page 98
	403-9 Work-related injuries	Page 98
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Page 95-97
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pages 93-95
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	This is not reported by the Group
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	The Group is a signatory of the UN Global Compact
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	The Group is a signatory of the UN Global Compact
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Pages 98-105
	413-2 Operations with significant actual and potential negative impacts on local communities	This is not reported by the Group
GRI 415: Public Policy 2016	415-1 Political contributions	Page 42
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Page 50
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 42

Compliance with the UNGC Principles - MCB Ltd

Communication on progress for the financial year 2022-2023

This Sustainability Report 2023 shows our progress and commitment with regard to integration of the Ten Principles of the UNGC principles across MCB Ltd.

Human rights principles

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

Further details in this regard are highlighted in MCB Group Sustainability Report 2023.

Our governance approach to sustainability (Remuneration, Corporate Governance, Ethics and Sustainability Committee)	p. 26
Environmental and social risk management	p. 36
Protecting human rights	p. 44
Promoting financial literacy and inclusion	p. 55
Promoting local procurement	p. 59
Culture	p. 83
Managing our human capital and significant human capital risks	p. 88
Employee engagement	p. 96
Talent management	p. 96
Well-being at work	p. 97
Our approach to fair and responsible remuneration	p. 45
Supporting our communities	p. 98

Labour principles

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

Read more in MCB Group Sustainability Report 2023:

Managing our human capital and significant human capital risks p. 88

Employee engagement p. 96

Workforce diversity and inclusion p. 93

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

Employees of the Bank are free to join the MCB Employees' Association, which is the trade union operating as per the national regulations - Worker's Rights Act 2019. MCB has also established a Grievance Policy to help employees engage with their hierarchical manager before soliciting the assistance of the Employees Association to solve any unsatisfactory matter. 60% of the Bank's employees were covered by collective bargaining agreements (excluding overseas subsidiaries) for the period 1 July 2022 to 30 June 2023.

Environmental principles

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

Read more in MCB Group Sustainability Report 2023:

Vibrant and sustainable local economies p. 50-60
(Responsible finance that supports economic growth and development)

Our environmental and cultural heritage p. 64-84

Anti-corruption principles

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

Read more in MCB Sustainability Report 2023:

Responsible behaviour p. 36-45

UNEP FI Principles for Responsible Banking

MCB Ltd became a signatory to the UNEP FI Principles for Responsible Banking in September 2019. These Principles ensure that signatory banks align their business strategy with the SDGs and the Paris Agreement. Additionally, this framework will enable our Bank to respond to the challenges of sustainable development, seize emerging opportunities, and also accompany our customers to positively contribute to the planet and society's well-being. This reporting and self-assessment document has been completed for the financial year 1 July 2022 to 30 June 2023.



Reporting and Self-Assessment

Principle 1: Alignment



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

Business model

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

Response

MCB Limited, established in 1838 is the leading bank in Mauritius, and is part of the holding company MCB Group Limited, which consists of banking and non-banking subsidiaries and associates. MCB Ltd is actively involved in several Indian Ocean islands and across a number of sub-Saharan African countries.

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

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

The Bank has over one million individual and non-individual customers.

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

Links and references

MCB Group Ltd Annual Report 2023

Corporate profile -
pages 22-29

MCB Ltd Annual Report 2023

Corporate profile -
pages 24-33

Sectors financed -
page 92

Strategy alignment

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

- Yes
 No

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

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

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

Response

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

The Bank is aware of the potential climate impacts including nature, social well-being, and supply chain disruption. Sustainability practices are being put upfront and are cross-cutting across the Group. We initiated several actions to contribute to and align with the Mauritius' Nationally Determined Contribution and National Adaptation Plan. Some of the actions are enumerated in the Sustainability Report 2023.

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

Links and references

**MCB Group
Sustainability
Report 2023**

Pages 28-30, 38, 64

Principle 2: Impact and Target Setting



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

2.1 Impact Analysis (Key Step 1)✓

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

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

Response

Links and references

We started the impact analysis of MCB Ltd with a particular focus on Mauritius first because it allowed us to understand the process and be aligned with the country's national commitment where we are headquartered.

Phase 1 – Impact analysis for exposures in Mauritius
Phase 2 – Impact analysis for international exposures

Phase 1 focuses on exposures at default with country risk 'Mauritius'. The scope includes the three main lines of business: Retail Banking, Business Banking, and the Mauritian and Regional Corporate (MRC) segment within Corporate and Institutional Banking (CIB). We have used the UNEP FI impact analysis methodology and tool to conduct the impact analysis. This exercise allowed us to master the impact analysis tool and gave us a better understanding of where our impacts are in the Mauritian economy. Most of the disclosures in the report relates to the Mauritian context.

The second phase of this analysis, which is the assessment of the Bank's environmental and social impacts from international exposures is in progress.

We believe that this exercise is an iterative process, which we will refine and improve as we progress.

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

- i) by sectors & industries for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
- ii) by products & services and by types of customers for consumer and retail banking portfolios.

✓A limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)) was conducted on Principle 2.1 Impact Analysis, 2.2 Target setting, 2.3 Target implementation and monitoring and 5.1 Governance Structure for Implementation of the Principles, and has been designated with a ✓ marking.

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

Response	Links and references
<p>An extract of the Bank's loans to customers in a few sectors is shown below. The details are available in MCB Ltd Annual Report 2023.</p> <ul style="list-style-type: none"> • Agriculture & fishing – 2% • Manufacturing – 4% • Tourism – 8% • Transport – 2% • Construction – 4% • Financial & business services – 15% • Traders – 34% <p>The contribution to the Bank's operating income for Business Banking, and Corporate and Institutional Banking are: 7% and 58% respectively.</p> <p>For the purpose of the impact analysis, we have assessed MCB Ltd's total exposures (funded and unfunded transactions) with country risk 'Mauritius' for the period 1 July 2020 to 30 June 2021. The scope covered in the impact analysis is shown hereunder:</p> <p>Retail Banking (based on number of customers) – 100% Business Banking (exposures assessed) – 84% Corporate & Institutional Banking (MRC) (exposures assessed) – 96%</p>	<p>MCB Ltd Annual Report 2023 Pages 71, 73, 92, 162</p>

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

Response	Links and references
<p>We have studied the priorities and challenges related to sustainable development for Mauritius to inform the impact analysis and its outcome. We have also interacted with stakeholders from relevant public bodies and the Mauritius Statistics Office.</p> <p>In line with the national priorities, Mauritius focuses particularly on the following Sustainable Development Goals (SDGs): 1 (No poverty), 4 (Quality education), 13 (Climate action) and 14 (Life below water).</p> <p>Mauritius, as a small island, is vulnerable to the impacts of climate change. Therefore adapting to these situations is critical. The country has defined its commitments and actions in key sectors, which are enumerated in its Nationally Determined Contribution and National Adaptation Plan. In addition to this, our central bank, the Bank of Mauritius, has published a mandatory guideline for financial institutions on Climate-related and environmental financial risk management.</p> <p>We have challenges related to improving resources efficiency and promoting a circular economy because Mauritius is heavily dependent on imports. There are few initiatives currently to promote reuse of materials and improve self-sufficiency of the country. To respond to this linear economy challenge, Mauritius has issued a Roadmap and Action Plan for a Circular Economy in August 2023.</p>	

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

Response

Links and references

According to the level of country needs and priority areas and the Bank's portfolio proportion with respect to the impact areas, we have prioritised two potential significant negative impact areas namely Climate, and waste/resources efficiency/circular economy. We decided to focus our efforts on reducing these potential negative impacts.

It is important to mention that the impact areas identified in the impact assessment conducted in 2021 are still valid because there have not been any significant changes in MCB Ltd's business model and portfolio composition.

MRC - Corporate & Institutional Banking

Positive impact

Health & sanitation

Inclusive & healthy economies

Mobility

Negative impact

Climate

Waste/Resources efficiency

Biodiversity

Business Banking

Positive impact

Health & sanitation

Culture & heritage

Mobility

Negative impact

Climate

Waste/Resources efficiency

Biodiversity

Retail Banking

Positive impact

Employment

Inclusive & healthy economies

Housing

Negative impact

Climate

Resources efficiency

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

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

Response

Links and references

The use of the UNEP FI impact analysis methodology and tool has been instrumental in understanding the sectors that are generating positive and negative impacts. We conducted a granular assessment of the significant sectors to help us target key clients and identify solutions to reduce negative impacts.

Due to data availability limitations, it was complicated to do a full performance assessment and set a baseline at this stage.

Additionally, there is work in progress on estimating the greenhouse gas emissions from our financed operations, particularly the material sectors, and assessing the physical climate physical risks. This will provide a baseline for setting targets for Climate mitigation and adaptation.

Self-assessment summary:

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

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

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

Climate change mitigation, climate change adaptation, resource efficiency, waste and circular economy

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

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

2.2 Target Setting (Key Step 2)✓

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

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

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

Response**Links and references**

The Bank's impact areas and targets are linked to and aligned with Mauritius' commitments and goals, including:

1. Nationally Determined Contribution
2. National Adaptation Plan
3. Guideline on Climate-related and environmental financial risk management
4. Roadmap and Action Plan for a Circular Economy

✓A limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)) was conducted on Principle 2.1 Impact Analysis, 2.2 Target setting, 2.3 Target implementation and monitoring and 5.1 Governance Structure for Implementation of the Principles, and has been designated with a ✓ marking.

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

Response

Links and references

As mentioned previously, we did a qualitative granular assessment of the Bank's portfolio and key sectors and how they contribute to and support the country's goals. Because of data availability limitations at both national statistics and client levels, it was quite challenging to determine a baseline. We have however tried to explore the possible ways for setting the targets, which are hereunder enumerated.

1. Climate

In 2020, an annual credit line facility of MUR 1 billion over 3 years was earmarked to finance green projects. It was quite difficult to deploy this because of the pandemic. In 2022, efforts were made to reboot and develop a sustainable financial product to support the local companies and encourage them adopt sustainable practices. The dedicated credit line was extended to MUR 10 billion in 2023. A green taxonomy was developed according to ICMA Green Loan Principles, with 10 categories for financing green projects.

MCB Ltd, which has been the banking partner of AFD since 2009 for deploying credit facilities under the SUNREF scheme, gained maturity and knowledge on green financing. The SUNREF third and last credit line expired in 2022.

MCB Ltd's first Sustainable loan was launched in March 2023 to deploy the MUR 10 billion. We further categorised the taxonomy into Climate mitigation and adaptation to focus on PRB targets and aligning with the national commitments. Aligning with Paris Agreement for Mauritius means to implement both mitigation and adaptation and resilience actions because of its vulnerability and exposure to climate change.

2. Resources efficiency/waste/circular economy target

Mapping the country's needs and challenges and the sectors the Bank is financing, we found that there are opportunities in this area. However, we need to engage with clients and relevant stakeholders to collect data and set a baseline.

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

Response

Links and references

Climate target:

1. Rs 10 billion credit line earmarked to finance projects by 2027 related to climate mitigation and adaptation in line with the Nationally Determined Contribution and Climate change adaptation policy framework of Mauritius

Resources efficiency/waste/circular economy target:

2. Engaging with at least 25 clients by 2026 to capture waste/resources efficiency data in view of promoting a circular economy and supporting the Roadmap and Action Plan for a Circular Economy in Mauritius

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

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

Response

Links and references

A high-level action plan has been established for meeting the set targets. Key elements are listed.

1. Raise awareness of the client-facing team including the Relationship Managers
2. Consider developing a client engagement process
3. Impact measurement of sustainable financing
4. Work on an approach to identify financing opportunities by using the impact analysis outcome
5. Find ways/mechanisms for engaging with clients to capture data: waste and resources efficiency

We have started working on a few items such as raising awareness and financing opportunities. However most of them are still work in progress.

Self-assessment summary

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

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

2.3 Target implementation and monitoring (Key Step 2)✓

For each target separately:

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

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

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

Response

Links and references

1. Climate target – we have established a dashboard and worked on a pipeline of potential projects eligible under the green taxonomy. This dashboard is monitored on a monthly basis. Raising awareness of the client-facing team is ongoing.

2. Resources efficiency/waste/circular economy target
This is still in the early stages. It is expected to progress in the coming months.

Principle 3: Clients and Customers



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

3.1 Client engagement

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

Yes In progress No

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

Yes In progress No

✓A limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)) was conducted on Principle 2.1 Impact Analysis, 2.2 Target setting, 2.3 Target implementation and monitoring and 5.1 Governance Structure for Implementation of the Principles, and has been designated with a ✓ marking.

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

Response

We are committed to supporting our clients on their sustainability and transition journeys and helping them adopt sustainable practices. We published a sustainable finance framework in April 2023 which sets the governing principles for sustainable financing.

As part of the eligibility assessment process for the Sustainable loan, there are regular discussions with clients to guide them on feasible opportunities for financing.

We are also raising awareness of the client-facing team on various ESG topics.

Links and references

MCB Group Sustainability Report 2023

Pages 38-41, 51-54, 64-67, 70-71

3.2 Business opportunities

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

Response

In addition to these Principles, the implementation of the Bank of Mauritius Guideline on Climate-related and Environmental Financial Risk Management will also inform and guide the identification of business opportunities. This will contribute to increasing the Bank's positive impacts while reducing the negative impacts.

We have set up a transition task force that acts as a platform to explore business opportunities to transition to a low carbon and circular economy in Mauritius and at regional and international levels.

Information about our existing products and our priorities in this area are shown in MCB Group Sustainability Report 2023.

Links and references

MCB Group Sustainability Report 2023

Pages 38-41, 51-54, 64-67, 70-71

Principle 4: Stakeholders



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

4.1 Stakeholder identification and consultation

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

Yes

In progress

No

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

Response

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

We participated in working groups and training sessions with UNEP FI alongside peer banks to discuss, learn and progress on the implementation of the Principles for Responsible Banking.

MCB Group organised a Climate conference in April 2023 for its clients that focused on the importance of adaptation and resilience in Mauritius. A few focus workshops were held with clients to brainstorm and discuss on climate issues in key sectors.

We also participated in committees and discussion groups with relevant authorities and institutions on climate change, circular economy, gender equality, and sustainable development.

The Bank also partnered with experts from the industry to gain knowledge and raise awareness of MCB's colleagues, for example, green building.

We attended a few webinars and forums about climate risks and sustainable financing.

Links and references

MCB Group Sustainability Report 2023
Pages 66-67

Principle 5: Governance & Culture



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

5.1 Governance Structure for Implementation of the Principles ✓

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

Yes In progress No

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

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

Response	Links and references
<p>On the governance front, three committees were designated by the Board of Directors of MCB Group to monitor the progress of its sustainability agenda:</p> <ul style="list-style-type: none"> • Remuneration, Corporate Governance, Ethics and Sustainability Committee (RCGESG) • Corporate Sustainability Committee (CSC) - a sub-committee of the RCGESC • Sustainability Strategic Council (SSC) – a committee at Executive level <p>Our sustainability team, who has a cross-functional role across the Group, provides advice and guidance on sustainability matters and participates in implementing the sustainability agenda.</p> <p>In November 2022, we set up a Transition Taskforce consisting of key members, including our Group CEO, the CEO of MCB Ltd, Head of CIB and Chief Risk Officer as internal stakeholders and external advisors to drive the transition of our financing activities. Read more on this in MCB Group Sustainability Report 2023.</p> <p>The PRB targets were discussed with the concerned lines of business and were finally approved by the SSC.</p> <p>At present, the Bank does not have a process to link remuneration practices to sustainability targets.</p>	<p>MCB Group Sustainability Report 2023 Pages 31, 40</p>

5.2 Promoting a culture of responsible banking:

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

Response	Links and references
<p>We organised numerous sessions during the past year to positively influence the employees while promoting knowledge sharing. This includes:</p> <ul style="list-style-type: none"> • Climate Fresk workshop for staff • Climate conference and workshops for clients in Mauritius • Environmental and Social Risk Management process awareness • ESG awareness for client facing team <p>Our employees are informed of key sustainability issues through:</p> <ul style="list-style-type: none"> • Internal communication channel 'Workplace' and 'iZone'. • Regular dialogue with the sustainability team. <p>We have also a group on Workplace to share knowledge and simple sustainability practices that the general staff can adopt in their lifestyle.</p> <p>The sustainability team continues to keep abreast of latest information in this regard, which will contribute to knowledge transfer and foster a culture of responsible banking.</p>	<p>MCB Group Sustainability Report 2023 Pages 65-67</p>

✓A limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)) was conducted on Principle 2.1 Impact Analysis, 2.2 Target setting, 2.3 Target implementation and monitoring and 5.1 Governance Structure for Implementation of the Principles, and has been designated with a ✓ marking.

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.

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

Response

MCB has established an Environmental and Social Risk Policy since 2012 to assess and manage environmental and social risks in financing activities according to the Equator Principles. This Policy was reviewed in 2023.

Links and references

MCB Group Sustainability Report 2023
Page 38

Self-assessment summary

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

Yes No

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

Yes No

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

Yes In progress No

Principle 6: Transparency & Accountability



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

6.1 Assurance

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

Yes Partially No

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

Response

The PRB report was assessed by an external auditing firm that conducted a limited assurance audit according to ISAE 3000 international standards. The assurance report is available in MCB Group Sustainability Report 2023.

Links and references

MCB Group Sustainability Report 2023
Additional information section

6.2 Reporting on other frameworks

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

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards
- TCFD
- Other:

Response

MCB Ltd, which is part of the UN Global Compact network submits a progress report annually on its platform. In line with the guideline on Climate-related and environmental financial risk management published by the Central Bank of Mauritius in April 2022, we will publicly disclose our climate risks journey in the next reporting cycle.

Links and references

MCB Group Sustainability Report 2023
Additional information section

6.3 Outlook

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

Response

In FY 2024, MCB Ltd will focus on:

1. Completing the impact analysis for international portfolio
2. Executing the PRB target implementation action plan
3. Raising awareness of client facing colleagues
4. Organising workshops for clients
5. Identifying opportunities for developing new sustainable financial products

Links and references

6.4 Challenges

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

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

- Setting targets
- Data availability
- Gaining or maintaining momentum in the bank



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The Board of Directors
The Mauritius Commercial Bank Ltd
Sir William Newton Street
Port-Louis
Republic of Mauritius

Independent Limited Assurance Report

Scope

We have been engaged by The Mauritius Commercial Bank Ltd (MCB Ltd) to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the selected disclosures, consisting of the following 4 areas: 2.1 Impact Analysis, 2.2 Target Setting, 2.3 Target Implementation and Monitoring, and 5.1 Governance Structure for Implementation of the Principles included in MCB Ltd's Principles for Responsible Banking Report for the year ended 30 June 2023 (the "Subject Matter") contained in the additional information of the MCB Group Sustainability Report 2023 on pages 114 to 127.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by The Mauritius Commercial Bank Ltd

In preparing the Principles for Responsible Banking Report (PRB report), MCB applied the requirements set out in the Reporting and Self-assessment Requirements for Signatories of the UNEP-FI Principles for Responsible Banking ("The Criteria"). As a result, the subject matter information may not be suitable for another purpose'.

The Mauritius Commercial Bank Ltd's responsibilities

The Mauritius Commercial Bank Ltd's management is responsible for selecting the Criteria, and for presenting the Principles for Responsible Banking Report (PRB Report) in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.



EY's responsibilities (Continued)

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)') and the terms of reference for this engagement as agreed with The Mauritius Commercial Bank Ltd on 14 September 2023. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Principles for Responsible Banking Report (PRB) and related information, and applying analytical and other appropriate procedures.



Description of procedures performed (Continued)

Our procedures included:

- Obtained the “Principles for Responsible Banking (PRB) Self-assessment checklist and “Guidance for assurance providers: Providing Limited Assurance for Reporting Principles for Responsible Banking” from the UNEP-FI website
- Obtained from management their internal policies and processes with respect to meeting the requirements of the PRB principles
- Made enquiries primarily of person responsible for preparing the subject matter.
- Inspected that the policies and processes for the relevant period were in accordance with the disclosed information.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the selected disclosures included in the Principles for Responsible Banking Report (PRB) for the year ended 30 June 2023, in order for it to be in accordance with the Criteria.

Restriction of liability

Our report, including our conclusion has been prepared solely for the Board of Directors of MCB Ltd in accordance with the agreement between us and for no other purpose. We permit this report to be published in MCB Group's Sustainability Report 2023 to assist the Directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the selected disclosures included in the Principles for Responsibility Banking Report.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the board of Directors of MCB Ltd for our work or for our report and the conclusion contained therein. We agree to the publication of our assurance report within the MCB Group's Sustainability Report provided it is clearly understood by recipients or readers of the report and that we accept no duty of care to them whatsoever in respect of our independent assurance report.

Maintaining and integrity of MCB's website is the responsibility of management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the selected disclosures as reported, or our independent assurance report that may occur after the initial date of publication of the report on the MCB's website.

The Ernst & Young logo is written in a stylized, handwritten font.

ERNST & YOUNG
Ebène, Mauritius

10 November 2023