



Recycling and waste collection – Mission verte

Mission Verte is an organisation focused on education and positive actions for recycling and waste collection. With 235 members and support from about 50 sponsors and partners, it helps with the installation of bins for recycling and collect waste for sorting through over 100 collection points across the island. Their goal is to raise public awareness about the need and importance to reduce, reuse, recycle and compost waste to reduce the use of plastic.



Additional Information

- 154 IFRS S1 and S2: Content index
- 156 Compliance with the UNGC Principles - MCB Ltd
- 157 GRI Content Index

IFRS S1 and S2: Content index

This content index is based on the International Sustainability Standards Board (ISSB)'s IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) released in June 2023. Relevant information can be found in MCB Group Limited's 2024 Annual Report (AR) and 2024 Sustainability Report (SR).

IFRS REFERENCE	DISCLOSURE REQUIREMENT	LOCATION	ADDITIONAL INFORMATION
Governance			
Board oversight			
IFRS S1 27(a) IFRS S2 6(a)	Describe the governance body responsible for overseeing sustainability-related risks and opportunities, detailing their mandate and key oversight processes.	AR, pages 92 - 95 SR, pages 33-37	In response to growing calls for greater transparency on how organisations are responding to sustainability-related risks and opportunities, we continue to refine and enhance our governance and management oversight of sustainability and climate, environmental and social risks.
Management's role			
IFRS S1 27(b) IFRS S2 6(b)	Describe management's role in governance processes for monitoring, managing, and overseeing sustainability and climate-related risks and opportunities, detailing key roles and responsibilities, and the integration of formal procedures.		
Strategy			
Sustainability- and climate-related risks and opportunities			
IFRS S1 30-31 IFRS S2 10-12	Describe the sustainability- and climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects over the short, medium, and long term.	AR, page 155 SR, pages 48-49	
Business model and value chain			
IFRS S1 32 IFRS S2 13	Describe the current and anticipated effects of sustainability- and climate-related risks and opportunities on the entity's business model and value chain.	SR, pages 48-50 (high-level)	MCB intends to leverage climate scenario analysis to assess climate-related risks and opportunities, as well as determine the potential implications of climate change for our strategy and business model. In this respect, we have incorporated climate considerations in the stress testing exercise we conducted during FY24 (on a qualitative basis).
Strategy and decision-making			
IFRS S1 33 IFRS S2 14	Describe the effects of sustainability- and climate-related risks and opportunities on the entity's strategy and decision-making, including information about sustainability and transition plans.	SR, pages 38-40 and 48-50 (high-level)	
Financial position, financial performance, and cash flows			
IFRS S1 34-40 IFRS S2 15-21	Describe the effects of sustainability- and climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how sustainability- and climate-related risks and opportunities have been factored into the entity's financial planning.	Omitted	Data not currently available, we are implementing processes that will enable future reporting.

IFRS REFERENCE	DISCLOSURE REQUIREMENT	LOCATION	ADDITIONAL INFORMATION
Strategy			
Resilience			
IFRS S1 41-42 IFRS S2 22	Describe the resilience of the entity's strategy, business model, and finances to sustainability- and climate-related changes, developments and uncertainties, taking into consideration the entity's identified sustainability- and climate-related risks and opportunities, and detailing the specific assessments or scenario analysis processes carried out.	SR, pages 48-50 (high-level)	MCB intends to leverage climate scenario analysis to assess climate-related risks and opportunities, as well as determine the potential implications of climate change for our strategy and business model. In this respect, we have incorporated climate considerations in the stress testing exercise we conducted during FY24 (on a qualitative basis).
Risk management			
Management processes			
IFRS S1 43-44 IFRS S2 25-26	Describe the processes and related policies the entity uses to identify, assess, prioritise, and monitor sustainability and climate-related risks and opportunities, including whether and how climate-related scenario analysis is applied, and the extent to which these processes are integrated into and inform the entity's overall risk management process.	SR, page 37 and 45-50	
Metrics and targets			
Performance			
IFRS S1 46-53 IFRS S2 28-37	Describe the entity's performance in relation to its sustainability- and climate-related risks and opportunities, including progress towards any targets it has set, and any targets it is required to meet by law or regulation, as well as information required to clearly understand these metrics and targets, and the entity's sustainability and climate change performance.	SR, page 77 and pages 90-93	We are relooking the targets for our direct operational footprint and implementing processes that will enable future monitoring and reporting on our upstream and downstream environmental and social impacts.

Compliance with the UNGC Principles - MCB Ltd

Communication on Progress for the financial year 2023-2024

This Sustainability Report 2024 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 uphold human rights. To ensure compliance with the Equator Principles, the Bank has established an Environmental and Social Risk Policy to guide its various teams and engage with customers, thereby being proactive in risk management.

[How we govern sustainability and climate, environmental and social risks \(page 34\)](#)

[Environmental and social risk management \(page 45\)](#)

[Protecting human rights \(page 150\)](#)

[Responsible finance that supports local entrepreneurship and promotes financial inclusion and literacy \(page 56\)](#)

[Promoting responsible local procurement \(page 69\)](#)

[Our Employee Value Proposition \(page 112\)](#)

[Implementing our talent management framework \(page 113\)](#)

[Creating rewarding workplace experiences \(page 123\)](#)

[Supporting our communities \(page 131\)](#)

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 2024:

[Our Employee Value Proposition \(page 112\)](#)

[Implementing our talent management framework \(page 113\)](#)

[Creating rewarding workplace experiences \(page 123\)](#)

[Diversity and inclusion \(page 125\)](#)

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

Employees of the Bank are free to join the MCB Employees' Association, which is the trade union operating as per the national regulations - Worker's Rights Act 2019. MCB has also established a Grievance Policy to help employees engage with their hierarchical manager before soliciting the assistance of the Employees Association to solve any unsatisfactory matter. 60% of Bank's employees were covered by collective bargaining agreements (excluding overseas subsidiaries) for the period 1 July 2023 to 30 June 2024.

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 2024:

[Vibrant and sustainable local and regional economies \(page 52\)](#)

[Environmental and cultural heritage \(page 72\)](#)

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 2024:

[Responsible behaviour - \(page 136\)](#)

GRI Content Index

MCB Group has reported the information cited in this GRI content index for the period 1 July 2023 to 30 June 2024 (FY24) with reference to the GRI Standards 2021.

Relevant information can be found in MCB Group's 2024 Annual Report (AR) and 2024 Sustainability Report (SR), which are available on www.mcbgroup.com/investors-centre.

GRI standard	Disclosure number and title	Disclosure location and page / Commentary
General disclosures		
The organisation and its reporting practices	2-1 Organisational details	AR, page 24
	2-2 Entities included in the organisation's sustainability reporting	SR, page 8, with a particular focus on MCB Ltd, MCB Seychelles, MCB Madagascar, MCB Maldives and MCB Consulting
	2-3 Reporting period, frequency and contact point	SR, page 8
	2-4 Restatements of information	There are no restatements of information for FY24.
	2-5 External assurance	The organisation has decided not to seek external assurance for the FY24 SR.
Activities and workers	2-6 Activities, value chain and other business relationships	AR, pages 26-29
	2-7 Employees	SR, page 102 (2-7-e not reported as not applicable - no significant seasonal or annual fluctuations in the number of employees)
	2-8 Workers who are not employees	Omitted (the organisation will provide detailed information when it is ready)
Governance	2-9 Governance structure and composition	AR, pages 92-95 SR, pages 34-37
	2-10 Nomination and selection of the highest governance body	AR, page 119
	2-11 Chair of the highest governance body	AR, page 104 (the Chairperson is an independent non-executive Board member)
	2-12 Role of the highest governance body in overseeing the management of impacts	AR, pages 92-95 SR, pages 34-37
	2-13 Delegation of responsibility for managing impacts	AR, pages 92-95 SR, pages 34-37
	2-14 Role of the highest governance body in sustainability reporting	SR, page 7 (the Corporate Sustainability Committee reviews and approves the SR)
	2-15 Conflicts of interest	AR, page 113
	2-16 Communication of critical concerns	Critical concerns (if any) are channeled to internal stakeholders.
	2-17 Collective knowledge of the highest governance body	AR, page 114
	2-18 Evaluation of the performance of the highest governance body	AR, page 122
	2-19 Remuneration policies	AR, page 109
Strategies, policies and practices	2-20 Process to determine remuneration	AR, page 109 (the organisation is continually expanding and enhancing this disclosure)
	2-21 Annual total compensation ratio	Omitted (the organisation will communicate on this ratio when it is ready)
	2-22 Statement on sustainable development strategy	SR, pages 38-40

GRI standard	GRI standard	GRI standard
General disclosures		
	2-23 Policy commitments	SR, pages 141-143
	2-24 Embedding policy commitments	SR, pages 141-143
	2-25 Processes to remediate negative impacts	SR, pages 141-143
	2-26 Mechanisms for seeking advice and raising concerns	SR, pages 141-143
	2-27 Compliance with laws and regulations	SR, pages 141-143
	2-28 Membership associations	SR, pages 18-20
Stakeholder engagement	2-29 Approach to stakeholder engagement	AR, pages 34-35 SR, page 50
	2-30 Collective bargaining agreements	SR (60% of employees are covered by collective bargaining agreements, excluding overseas banking subsidiaries)
Material topics		
	3-1 Process to determine material topics	SR, pages 40-42 (MCB Ltd undertook a detailed, comprehensive materiality analysis this year)
	3-2 List of material topics	SR, pages 40-41
	3-3 Management of material topics	SR, pages 40-41
Economic performance		
	201-1 Direct economic value generated and distributed	SR, page 50
	201-2 Financial risks and opportunities posed by climate change	Omitted (data not currently available, we are implementing processes that will enable future reporting)
	201-3 Defined benefit plan obligations and other retirement plans	Omitted (the organisation will provide detailed information when it is ready)
	201-4 Financial assistance received from any Government	Omitted (not applicable to the organisation as no financial assistance received)
Market presence		
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Omitted (identified as material this year; the organisation will provide detailed information when it is ready)
	202-2 Proportion of senior management hired from the local community	Omitted (identified as material this year; the organisation will provide detailed information when it is ready)
Indirect economic impacts		
	203-1 Infrastructure investments and services supported	Omitted (not applicable/material)
	203-2 Significant indirect economic impacts	SR, pages 56-63 (financial literacy and provision of services to the unbanked and/or underbanked)
Procurement practices		
	204-1 Proportion of spending on local suppliers	SR, page 69

GRI standard	GRI standard	GRI standard
Anti-corruption		
	205-1 Total number and percentage of operations assessed for risks related to corruption.	Omitted (data not currently available, we are implementing processes that will enable future reporting)
	205-2 Communication and training about anti-corruption policies and procedures	SR, page 143
	205-3 Confirmed incidents of corruption and actions taken	SR, page 42
Anti-competitive behaviour		
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	SR, page 143
Tax		
	207-1 Approach to tax	SR, page 149
	207-2 Tax governance, control, and risk management	SR, page 147
	207-3 Stakeholder engagement and management of concerns related to tax	AR, pages 34-45; page 54
	207-4 Country-by-country reporting	SR, page 149
Energy		
	302-1 Energy consumption within the organisation	SR, pages 90-92
	302-2 Energy consumption outside of the organisation	Omitted (data not currently available, we are implementing processes that will enable future reporting)
	302-3 Energy intensity	SR, pages 90-92
	302-4 Reduction of energy consumption	SR, pages 90-92
Water and effluents		
	303-1 Interactions with water as a shared resource	Omitted (this is not a material topic for the Group)
	303-2 Management of water discharge-related impacts	Omitted (this is not a material topic for the Group)
	303-3 Water withdrawal	Omitted (this is not a material topic for the Group)
	303-4 Water discharge	Omitted (this is not a material topic for the Group)
	303-5 Water consumption	SR, page 92
Biodiversity		
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Omitted (this is not a material topic for the Group)
	304-2 Significant impacts of activities, products and services on biodiversity	Omitted (this is not a material topic for the Group)
	304-3 Habitats protected or restored	Omitted (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	Omitted (this is not a material topic for the Group)

GRI standard	GRI standard	GRI standard
Emissions		
	305-1 Direct (Scope 1) GHG emissions	SR, page 90
	305-2 Energy indirect (Scope 2) GHG emissions	SR, page 90
	305-3 Other indirect (Scope 3) GHG emissions	SR, page 90
	305-4 GHG emissions intensity	Omitted (data not currently available, we are implementing processes that will enable future reporting)
	305-5 Reduction of GHG emissions	SR, page 90
	305-6 Emissions of ozone-depleting substances (ODS)	Omitted (this is not a material topic for the Group)
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Omitted (this is not a material topic for the Group)
Waste		
	306-1 Waste generation and significant waste-related impacts	Omitted (this is not a material topic for the Group)
	306-2 Management of significant waste-related impacts	Omitted (this is not a material topic for the Group)
	306-3 Waste generated	SR, pages 92-93
	306-4 Waste diverted from disposal	SR, pages 92-93
	306-5 Waste directed to disposal	Omitted (this is not a material topic for the Group)
Employment		
	401-1 New employee hires and employee turnover	SR, page 104
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Omitted (not reported at this time; we are implementing processes that will enable future reporting)
	401-3 Parental leave	Extended paternity and maternity leave; in line with legislation
Occupational health and safety		
	403-1 Occupational health and safety management system	SR, page 125
	403-2 Hazard identification, risk assessment, and incident investigation	SR, page 125
	403-3 Occupational health services	SR, page 125
	403-4 Worker participation, consultation, and communication on occupational health and safety	SR, page 125
	403-5 Worker training on occupational health and safety	Omitted (not reported at this time; we are implementing processes that will enable future reporting)
	403-6 Promotion of worker health	SR, page 125
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Omitted (this is not a material topic for the Group)
	403-8 Workers covered by an occupational health and safety management system	Omitted (not reported at this time; we are implementing processes that will enable future reporting)
	403-9 Work-related injuries	SR, page 125
	403-10 Work-related ill health	SR, page 124 (we provide our employees with a range of benefits to promote their well-being)

GRI standard	GRI standard	GRI standard
Training and education		
	404-1 Average hours of training per year per employee	SR, page 118
	404-2 Programs for upgrading employee skills and transition assistance programs	SR, pages 114-121
	404-3 Percentage of employees receiving regular performance and career development reviews	SR, page 122 (all permanent employees across the Group participate in annual performance reviews)
Diversity and equal opportunity		
	405-1 Diversity of governance bodies and employees	SR, page 105
	405-2 Ratio of basic salary and remuneration of women to men	Omitted (not reported at this time; we are implementing processes that will enable future reporting)
Non-discrimination		
	406-1 Incidents of discrimination and corrective actions taken	Omitted (not reported at this time; we are implementing processes that will enable future reporting)
Freedom of association and collective bargaining		
	407-1 Operations and suppliers at significant risk for incidents of child labor	The Group is signatory of UN Global Compact
Child labour		
	408-1 Operations and suppliers at significant risk for incidents of child labor	The Group is signatory of UN Global Compact
Forced or compulsory labour		
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	The Group is signatory of UN Global Compact
Local communities		
	413-1 Operations with local community engagement, impact assessments, and development programs	SR, pages 131-135
	413-2 Operations with significant actual and potential negative impacts on local communities	Omitted (not reported at this time; we are implementing processes that will enable future reporting)
Public policy		
	415-1 Political contributions	SR, page 143
Marketing and labelling		
	417-1 Requirements for product and service information and labeling	SR, page 143
	417-2 Incidents of non-compliance concerning product and service information and labeling	None
	417-3 Incidents of non-compliance concerning marketing communications	None
Customer privacy		
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR, page 68

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 MCB Ltd respond sustainable development challenges, seize emerging opportunities, and accompany its customers to contribute positively to the planet and society’s well-being. This reporting and self-assessment document has been completed for the financial year 1 July 2023 to 30 June 2024.

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.

<i>Response</i>	<i>Links and references</i>
<p>MCB Limited, established in 1838 is the leading bank in Mauritius, and is part of the holding company MCB Group Limited, which consists of banking and non-banking subsidiaries and associates. MCB Ltd is actively involved in several Indian Ocean islands and across sub-Saharan African countries.</p> <p>The Bank’s main business lines serving a diverse range of customers are:</p> <ul style="list-style-type: none"> • Corporate and Institutional Banking • Business Banking (including SMEs and microenterprises) • Retail Banking • Private Wealth Management <p>The Bank has over one million individual and non-individual customers.</p> <p>We provide loan facilities in the economic sectors such as financial and business services, traders, housing, tourism, agriculture, transport, construction, etc.</p>	<p>MCB Group Ltd Annual Report 2024 Corporate profile - pages 23-29</p> <p>MCB Ltd Annual Report 2024 Corporate profile - pages 20-27 Sectors financed – page 76</p>

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; Equator Principles

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. This year, we conducted a materiality assessment to identify the most significant topics of the Bank. The Principles for Responsible Banking framework also supports us to set clear strategy and objectives to align with the Paris Climate Agreement and relevant national frameworks.

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 2024.

Success Beyond Numbers' supports mainly 16 of the 17 SDGs. These 16 priority SDGs, 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 2024
Pages 38-41, 44-49

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.

<i>Response</i>	<i>Links and references</i>
<p>We started the impact analysis of MCB Ltd with a particular focus on Mauritius first because it allowed us to understand the process and align with the country's national commitment where we are headquartered.</p> <p>Phase 1 – Impact analysis for exposures in Mauritius - completed</p> <p>Phase 1 focused on exposures at default with country risk 'Mauritius'. The scope included 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.</p> <p>Phase 2 – Impact analysis for international exposures – work-in-progress</p> <p>The second phase of this analysis constitutes the assessment of the Bank's environmental and social impacts resulting from international exposures.</p> <p>The Impact analysis exercise for the Bank is an iterative process, which we will refine and improve as we progress.</p>	

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

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

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

* 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.

Response

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 2024.

- Agriculture & fishing – 1%
- Manufacturing – 5%
- Tourism – 6%
- Transport – 2%
- Construction – 4%
- Financial & business services – 16%
- Traders – 6%
- Of which petroleum and energy products – 33%

The contribution to the Bank's operating income for Business Banking, and Corporate and Institutional Banking are: **6% and 55%** respectively.

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:

Phase 1: Mauritius

Retail Banking (based on number of customers) – 100%

Business Banking (exposures assessed) – 84%

Corporate & Institutional Banking (MRC) (exposures assessed) – 96%

Phase 2: International portfolio – work-in-progress

The focus within the international portfolio was on African countries in the following business lines.

Specialised Finance

Global and International Corporates

Financial Institutions and Syndication

Links and references

MCB Ltd Annual Report 2024
Pages 62, 63, 76, 149

- 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

Phase 1: Completed

We have challenges related to improving resources efficiency and promoting a circular economy because Mauritius is heavily dependent on imports. To address the circular economy challenge, we collaborated with UNEPFI through a working group with other peer banks to develop a guidance document titled: 'Circular Economy as an Enabler for Responsible Banking Leveraging the Nexus between Circularity and Sustainability Impact'. The discussion within the group and guidance documents will help us shape the work around resources efficiency and deepen our expertise in this area.

Phase 2:

Understanding the context of the countries in our international portfolio is challenging. Data availability about the environmental and social context of the African countries under this assessment was quite lengthy. We are still assessing the priority areas in the relevant countries and the priority countries to include in the scope of impact analysis.

Links and references

* 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.

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
<p><u>Phase 1:</u> Climate, and waste/resources efficiency/circular economy. We decided to focus our efforts on reducing these potential negative impact areas.</p> <p><u>Phase 2:</u> We will communicate about this in the next reporting cycle.</p>	

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
<p><u>Phase 1:</u> Due to data availability limitations, it was complicated to do a full performance assessment and set a baseline at this stage. However, 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.</p> <p><u>Phase 2:</u> The assessment is still ongoing.</p> <p>Additionally, we are also estimating the greenhouse gas emissions from our financed operations, particularly the material sectors, and assessing the physical climate physical risks for both domestic and international portfolios. This will provide a baseline for setting specific targets for Climate mitigation and adaptation.</p>	

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 type="checkbox"/> Yes | <input checked="" 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 type="checkbox"/> Yes | <input checked="" 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?

Phase 1: Domestic portfolio - Climate change mitigation, climate change adaptation, resource efficiency, waste and circular economy

Phase 2: International portfolio – work in progress

* 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.

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.

<i>Response</i>	<i>Links and references</i>
<p><u>Phase 1:</u> The Bank’s impact areas and targets are linked to and aligned with Mauritius’ commitments and goals, including:</p> <ol style="list-style-type: none">1. Nationally Determined Contribution2. National Adaptation Plan3. Guideline on Climate-related and environmental financial risk management4. Roadmap and Action Plan for a Circular Economy <p><u>Phase 2:</u> We will communicate about this in the next reporting cycle. Work in progress stage.</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.

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

Phase 1: The data availability limitations at both national and client levels were communicated in last year's report. It was quite challenging to determine a baseline. We identified, on a best efforts basis, the feasible 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. This year, MCB Group has reviewed and upgraded its Sustainable Finance Framework up to market standards in October 2024. This includes eligibility criteria under green and social categories.

MCB Ltd, which has been the banking partner of AFD since 2009 for deploying credit facilities under the SUNREF scheme, has gained maturity and expertise 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

We mapped the country's needs and challenges with the sectors that the Bank is financing and we found that there are many opportunities in this area. This will entail engaging with clients and relevant stakeholders to collect data and set a baseline.

Phase 2:

We will communicate about this in the next reporting cycle. Work in progress stage.

Links and references

* 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.

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.

<i>Response</i>	<i>Links and references</i>
<p><u>Phase 1 targets:</u> 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.</p> <p>A pipeline of projects was identified. A formal monitoring is done on a monthly basis in which a dedicated team keeps track of the eligibility, the environmental and social risks and amount disbursed.</p> <p>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.</p> <p><u>The metrics for monitoring this target will be defined in the coming months when relevant information will be available in this area.</u></p> <p>In addition, we try as far as possible to ask clients about their circularity practices and carbon footprint measurement in general clients' meeting with the Relationship Managers.</p> <p><u>Phase 2 targets:</u> We will communicate about this in the next reporting cycle. Work in progress stage.</p>	

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.

<i>Response</i>	<i>Links and references</i>
<p><u>Phase 1:</u> Key actions implemented during last financial year: 1. We continued to raise awareness of the client-facing team including the Relationship Managers and clients 2. For sustainable financing deals, we include impact indicators to measure and monitor environmental and social impacts 3. Preliminary discussion about establishing a client engagement process/strategy 5. Discussion on possible ways/mechanisms for engaging with clients to capture data: waste and resources efficiency</p> <p><u>Phase 2:</u> We will communicate about this in the next reporting cycle. Work in progress stage.</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.

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 checked="" type="checkbox"/> Yes <input 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.

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Response

Links and references

Phase 1 targets:

1. Climate target

Disbursement to the tune of MUR 1.961 billion was made under Climate mitigation projects from February 2023 - June 2024 in the following categories: renewable energy, energy efficiency, green building, pollution prevention and control, circular economy.

The maturity of the market for climate adaptation is quite nascent. We are referring to the UNEPFI Climate Adaptation Target Setting guidance 2023 to improve and define a specific target for climate adaptation and identify opportunities for adaptation finance.

2. Resources efficiency/waste/circular economy target

The Bank's Marketing department conducts client survey annually to get feedback on its services and customer experience. This year, we included a few questions in the survey to capture the sustainability commitments and interests of the clients. Questions included: sustainable development, climate and circular economy, their sustainable development journey, and appetite for sustainable finance products. This allowed us to better know and understand the clients' sustainability expectations. We are currently using the survey results and impact analysis outcome to identify the clients with whom we will have a formal discussion and engagement in the coming months.

Phase 2 targets:

We will communicate about this in the next reporting cycle.

Principle 3: Clients and Customers



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

3.1 Client engagement

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

Yes In progress No

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

Yes In progress No

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

Response

We are committed to supporting our clients on their sustainability and transition journeys and helping them adopt sustainable practices. Following the first issue of MCB Ltd sustainable finance framework in April 2023, we have reviewed it and uplifted this document to align it with market practices and principles. This sustainable finance framework defines the eligibility criteria under the green and social category, and the financial instruments that MCB Group will offer to support its clients. The amended framework has been positively opined by a second party opinion provider in October 2024. The sustainable finance framework is available on MCB Group website.

We have also regular discussions with clients to guide them on feasible opportunities for sustainable financing.

This year, we organised EDGE training for our clients to promote green building practices. We hosted two training sessions targeting clients involved in property development, architecture, project design, and engineering. An EDGE expert trainer from the International Finance Corporation facilitated the training, attended by 66 45 people from 25 companies (clients) and 23 MCB Ltd employees, demonstrating shared dedication and commitment to sustainability and resource efficiency in the property development sector. Participants were introduced to EDGE software, a free investment planning tool designed to help implement green building strategies. The software enables users to predict and report on energy, water, and GHG emissions savings, empowering them to make informed decisions towards sustainable development.

We have collaborated with several leading global institutions to enhance our international exposure and support our efforts to drive climate adaptation such as UNEPFI and correspondent banks. We have currently a climate credit facility with Proparco and DEG to finance projects in Mauritius and Sub-Saharan Africa. Within the credit facility of USD 120 million, Proparco has appointed a consulting company to provide our team with training and capacity building on climate adaptation.

The training aimed to help us develop the following:

- a. A catalogue of adaptation solutions for Mauritius' agriculture and tourism sectors
- b. Tools and guidance for conducting eligibility checks for adaptation projects

In October 2024, we hosted in-person training sessions for our employees and clients. We focused on equipping the participants with the tools and knowledge to identify and implement effective climate change adaptation measures. 51 employees and 30 clients attended the sessions.

Links and references

MCB Group Sustainability Report 2024
Pages 43-44, 78-80, 85

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

At MCB Ltd, we have the following sustainable finance instruments that contribute to climate mitigation and adaptation measures and other impact areas:

- Sustainable loan
- Lokal is Beautiful scheme
- Sustainable Supply Chain Finance
- Sustainable trade facility

Information about our existing products and our priorities in this area are shown in MCB Group Sustainability Report 2024.

Links and references

MCB Group Sustainability Report 2024
Pages 43-44, 78-80, 85

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.

A few key consultations and collaboration that helped in implementing the targets are listed:

- Discussion with MCB's colleagues during the impact analysis process and implementation of the principles
- We also participated in committees and discussion groups with national authorities and institutions on climate change, renewable energy, carbon credit and climate finance
- We participated in working groups and webinars with peer banks provided by UNEP FI to discuss, learn and progress on the implementation of the Principles for Responsible Banking. This includes climate adaptation, nexus circular economy and climate mitigation, climate risks.
- We collaborated with IFC to provide EDGE training for our clients to promote green building practices.
- We received technical assistance from recognised international financial institutions to uplift our sustainable finance framework
- Proparco/DEG: In line with Proparco/DEG's credit facility of USD 120 million for climate finance, Proparco has appointed a consulting company to provide MCB team with training/capacity building on climate adaptation.
- Standard Chartered Bank: MCB Ltd contributed as a Primary reviewer to the 'Guide for Adaptation and Resilience Finance' developed by Standard Chartered and published in April 2024.

Links and references

MCB Group Sustainability Report 2024
Pages 40-41, 43-44, 78-80, 85

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.

<i>Response</i>	<i>Links and references</i>
<p>Our governance structure is composed of three committees that have been designated by the MCB Group Board of Directors to monitor the progress of its sustainability agenda:</p> <ul style="list-style-type: none">• Remuneration, Corporate Governance, Ethics and Sustainability Committee (RCGESC)• Corporate Sustainability Committee (CSC) - a sub-committee of the RCGESC• Sustainability Strategic Council (SSC) – a committee at Executive level <p>A Transition Taskforce consisting of key Executives drive the transition pathway of our financing activities. Read more on this in MCB Group Sustainability Report 2024.</p> <p>For the financial year 2024-2025, the Bank has put in place a scorecard that includes ESG components for the management team with varying weightage and objectives in line with the Bank’s strategy. Remuneration practices will also be linked to this.</p>	<p>MCB Group Sustainability Report 2024 Pages 34-37</p>

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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).

<i>Response</i>	<i>Links and references</i>
<p>We organised numerous sessions during the past year to positively influence the employees while promoting knowledge sharing. More information is available on MCB Group Sustainability Report 2024.</p> <ul style="list-style-type: none"> • Climate Fresk workshop for staff • General ESG awareness training for MCB Group staff • Workshops for clients in Mauritius • Environmental and Social Risk Management process awareness • ESG awareness for client facing team • Cross collaboration between different departments to achieve sustainability objectives <p>The sustainability team continues to keep abreast of the latest information in this space, which will contribute to knowledge transfer and foster a culture of responsible banking across the organisation.</p>	<p>MCB Group Sustainability Report 2024 Pages 42, 85, 86</p>

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.

<i>Response</i>	<i>Links and references</i>
<p>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 2024. In addition to this, we started assessing the Bank's climate risks: transition and physical.</p>	<p>MCB Group Sustainability Report 2024 Page 44-49</p>

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.

<i>Response</i>	<i>Links and references</i>
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 on MCB Group Sustainability Report 2024.	MCB Group Sustainability Report 2024 – 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: Climate-related and environmental financial risk management 2022

<i>Response</i>	<i>Links and references</i>
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 have publicly disclosed on our climate risks in MCB Ltd Annual Report 2024.	MCB Group Sustainability Report 2024 – Additional information section MCB Ltd Annual Report 2024 - pages 133, 163

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 2024-2025, MCB Ltd will focus on:

1. Identifying the significant impact areas within the international portfolio
2. Executing the PRB target implementation action plan
3. Continue to raise awareness of material sustainability topics within the client segment and across the Bank
4. Developing new sustainable financial products to meet the needs of our clients

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

LAD/RB/ch/br/454/25

12 November 2024

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

Dear Sirs,

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 selected disclosures, consisting of the following 4 areas: 2.1 Impact Analysis, 2.2 Target Setting, 2.3 Target Implementation and Monitoring, 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 2024 (the "Subject Matter") contained in the additional information of the MCB Group Sustainability Report 2024 on pages 162 to 177.

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) 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.

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 10 September 2024. 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.

EY's responsibilities (Continued)

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.

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 2024, 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 2024 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 subsequent to the initial date of publication of the report on the MCB's website.