

Leadership Insights on Sustainability



Humanity is facing unprecedented challenges, and every individual, business, country and continent needs to work together to respond.

The 2024 World Economic Forum's Global Risk Report named three key environmental issues as critical challenges facing humanity: extreme weather events, critical changes to earth systems, and biodiversity loss and ecosystem collapse. These environment-related risks sit alongside challenges like disinformation, geopolitical competition, and inflation, which contribute to uncertainty and undermine local and regional stability. These unpredictable times have reinforced our conviction to apply our purpose Success Beyond Numbers across our organisation and manage our business in a balanced and responsible manner, guided by three key pillars. I briefly summarise hereunder a few highlights for each pillar.

Promoting vibrant and sustainable local and regional economies

We remained focused on fostering economic inclusion and introducing our clients to new business opportunities. For example, we deepened our longstanding partnership with Made in Moris this year. We also pursued our strategic partnerships with key local players to promote entrepreneurship and boost production through our 'Lokal is Beautiful' loan scheme. This progress affirms our ongoing commitment to building a prosperous and resilient Mauritius

that is self-sufficient rather than import dependent. We are also pleased with the progress our overseas banking subsidiaries have made in supporting our sustainability objectives. This includes, for example, undertaking customer-focused educational campaigns, embedding a culture of customer-centricity, and finding opportunities to integrate environmental and social considerations into their operations, products and services.

Contributing to our cultural and environmental heritage

We reviewed our governance approach to integrate climate-related and environmental financial risk management into our operations in line with the Bank of Mauritius Guideline on Climate-related and Environmental Financial Risk Management. Furthermore, we are refining our sustainable finance framework by strengthening our green taxonomy and introducing a social taxonomy, which will position us to better support our local clients in transitioning Mauritius to a circular, low-carbon, and socially resilient economy. We use our sustainable finance framework to determine the eligibility of projects funded through our Rs 10 billion MCB Sustainable Loan. To date, we have disbursed Rs 2 billion in funding to projects across several sectors.

Beyond our clients, we remained focused on promoting climate action within our local communities. We hosted the second edition of 'Deba Klima', a debate contest for students that aims to raise awareness about climate change mitigation and adaptation. To broaden its impact, the contest was conducted in Creole and undertaken in collaboration with the support of Dr. François Gemenne. Once again, the event was a resounding success, engaging 16 secondary schools across Mauritius. We are proud that MCB helped inspire young citizens to discuss the importance of climate change and provided them with a platform to share their learnings and insights on national television and social media platforms.

Fostering individual and collective well-being

We continued to prioritise meaningful career development for our employees, underpinned by a strong focus on learning and development and employee wellness. Our efforts are supported by our MCB Career Architecture, introduced last year, which provides a roadmap for our employees' professional and personal development. While still in its early stages, our professional and culture alignment journey will be fundamental to building an energised, diverse, future-ready and engaged workforce, which is critical to enable us to deliver on our strategic ambitions.

Recognising the critical role that women play in a strong and functioning economy, we remained focused on applying the principle of equal pay for equal work across our organisation,

irrespective of gender. Last year, we applied for EQUAL-SALARY certification from the EQUAL-SALARY Foundation and, this year, we were recognised as Africa's first financial services group to achieve this certification.

Building on our efforts to embed a strong sustainability culture within MCB, we launched a sustainability training and awareness programme in partnership with Moody's this year. Employees across every level of the Group participated, thereby empowering our people to proactively manage sustainability-related risks and identify opportunities to drive meaningful change within our organisation and communities.

We undertook an extensive multi-stakeholder engagement process involving 21 stakeholder groups from across our value chain. Over several months, we engaged in meaningful conversations with more than 400 individuals to gather their unique perspectives on the sustainability topics they believe are significant for MCB. At the same time, we shared our views on the sustainability-related risks and opportunities we believe are critical for the Bank. This ensured a comprehensive understanding and strong foundation to determine how we are progressing on our corporate sustainability journey.

Underscoring our commitment to Success Beyond Numbers, we initiated a materiality analysis for MCB Ltd this year to deepen our understanding of the material sustainability-related risks and opportunities relevant to the Bank and how these matters interconnect and apply across our value chain.

I am proud to present this materiality analysis on behalf of MCB Ltd, which we developed using the globally-recognised GRI Sustainability Reporting Standards. The materiality analysis for MCB Ltd will be available as a standalone document on our website. It will also be a living document, which we will update as we pursue further conversations with our stakeholders. We unpack our methodology and key outcomes in more detail on page 40. Overall, the results provide comfort that we are on the right track to deliver on our purpose, and we will use the results to refine our strategic focus and position MCB Ltd as a leading bank committed to doing business responsibly.

Our materiality analysis is also an important first step on our journey to respond to the increasing regulatory focus on sustainability reporting. This includes, for example, the publication of the IFRS Sustainability Standards S1 and S2. To support this, we established a dedicated working group within MCB to help us navigate the evolving sustainability reporting landscape. This working group played a fundamental role in helping us execute our materiality analysis for MCB Ltd and will continue to build on its efforts in the year ahead to ensure we provide our stakeholders with relevant and fit-for-purpose disclosure.

Looking ahead, we anticipate that we will continue to navigate a complex world characterised by uncertainties, heightened competition, and increasingly stringent regulatory demands. However, we have come a long way, and I believe that the Group is well-positioned to continue its journey towards fostering a sustainable future.

As we reflect on this year's achievements, I would like to take this opportunity to thank the Board of Directors and the members of our Corporate Sustainability Committee for their continuous support and guidance throughout the year on our sustainability journey.

Thank you to the Head of Sustainability, Reputation and Engagement and her team, to the sponsors of our sustainability-related projects and to each and every employee who contributed in their own way to ensuring that MCB Group stays true to our purpose and for their continued effort to deliver on Success Beyond Numbers.

Jean Michel Ng Tseung
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MCB Group Ltd