

## AfrAsia Bank Limited: Communication On Progress (Year 2016)



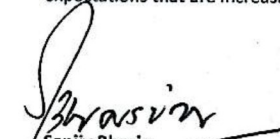
### **AFRASIA BANK LIMITED: COMMUNICATION ON PROGRESS (YEAR 2016)**

#### **CEO STATEMENT**

On behalf of AfrAsia Bank Limited, I am pleased to renew our commitment to the United Nations Global Compact and to support its ten principles.

AfrAsia Bank Limited already has the spirit of these ten principles, inculcated in its corporate values since it was formed in 2007. By integrating the UNGC in 2015, we have shown our aspiration to incorporate these ideals more profoundly in our culture and day-to-day activities.

Our ongoing commitment towards the UNGC helps us in aligning our operations with standards and expectations that are increasingly important to all of our local and global stakeholders.

  
Sanjiv Bhasin  
CEO of AfrAsia Bank Limited

## HUMAN RIGHTS

**Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights**

**Principle 2: Make sure that they are not complicit in human rights abuses.**

AfrAsia Bank Limited (ABL), being incorporated in Mauritius, is in compliance in all material respects with the laws and regulations applicable to it and its business and property. ABL also has internal policies to reinforce the principles of existent laws within its culture.

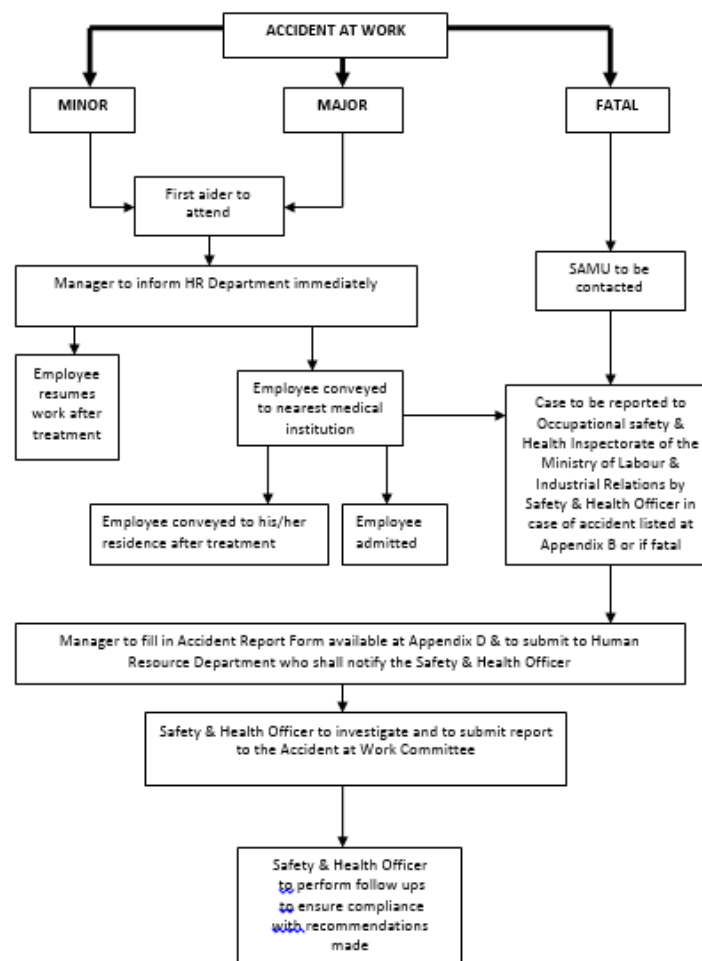
In 2013, ABL has implemented an Equal Opportunities Policy, which aims at providing a healthy working environment, where each individual feels respected and valued. The policy was set up to ensure that, no employee is treated more favourable or less favourable manner, as compared to his fellow colleagues, with respect to his age, caste, colour, creed, ethnic origin, impairment, marital status, place of origin, political opinion, race, sex or sexual orientation. In the same line of thought, the policy guarantees the transparency, fairness and equity of any opportunity or selection process from the recruitment to the termination of contract, so that each person be treated equally, as stated in Article 7 of the Universal Declaration on Human Rights (UDHR).

The Human Resource department carries induction sessions each two months, to introduce the culture of ABL to the new recruits. An Employee Handbook is currently being designed to provide further information to new recruits; it will include information on the brand, internal development and training, dress code, discipline, equality and leaves, among others.

With respect to Article 3 of the UDHR, which states that everyone has the right to security, and with respect to Section 3 of the Occupational Safety and Health Act 2013, every company shall include health and safety in its organization. Further to this, a health and safety policy was adopted to promote a preventive and cooperative attitude with respect to safety issues; it sets out ABL's duties, duties of employees and acceptable workplace behaviour. A Health and Safety officer is employed on a part time basis, to monitor all the issues in this matter, and a committee meets every two months to discuss any issue arising. In an attempt to involve staff in the process, employees are selected and designated as first aiders and are given the necessary training to deal with any emergency situation. Additionally, employees are given an opportunity to report any grievance pertaining to health and safety, through the Human Resource Department.

## HUMAN RIGHTS

An “Accident at Work Procedure”, has also been put in effect to guide employees in responding quickly and effectively in case of accidents. The procedure, as shown in the below diagram, englobes provisions for First Aid. It states that firstly first aid boxes should be well equipped and secondly that employees, qualified as first aiders, should get regular first aid training to ensure that they are up to date with all the required information on the subject.



Moreover, ABL’s Conduct and Ethics Policy was put into action to serve as a central guide to support day-to-day decision making at work. It provides for guidance on what is considered as appropriate conduct and the level of discipline needed for the workplace. It is specified in the policy that employees should behave in a responsible manner towards colleagues and clients, make their best to be efficient in their work and prioritise ABL’s interest over their private ones during office hours.

## HUMAN RIGHTS

The Conduct and Ethics Policy further provides for a disciplinary procedure to be followed and includes a verbal caution, formal interview, final written warning, final review meeting and disciplinary committee. The employee is given the chance to a fair hearing, through a grievance procedure, which also allows employees to speak out about any grievance they may have; it consists of written notification, written response within seven days, meeting with Senior Manager and HR Manager and discussion with HR Committee which will communicate the outcome. These procedures are in line with Article 8 of the UDHR which provides for the right for effective remedy.

As per the Human Resource General Policies, all permanent employees benefit from Pension schemes, Medical Schemes and Employer's Liability Cover; the same policy states that employees' hours of work are flexible, with forty five minutes of lunch time per day. Also, any significant amounts of excess working hours, which is not remunerated as overtime, can be converted into time off. Furthermore, as per the Leaves of Absence Policy, all confirmed employees are entitled to annual leaves, sick leaves, wedding leaves, compassionate leaves, study leaves, employee exit proportionate leaves, maternity leaves and paternity leaves (where applicable). Moreover, as part of HR initiatives, ABL has conducted an Employee Engagement Survey in 2016 to obtain the feedback and satisfaction level of each employee with respect to his work and working environment. These implementations are in line with Article 24 of the UDHR, which states that everyone has the right to rest and leisure.

## LABOUR

**Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;**

**Principle 4: the elimination of all forms of forced and compulsory labour;**

**Principle 5: the effective abolition of child labour; and**

**Principle 6: the elimination of discrimination in respect of employment and occupation.**

With respect to Principle 3, even though ABL does not encompass any trade union, it respects and aligns with Article 13 of the Constitution of Mauritius, which provides for freedom of assembly and association, by ensuring that no policy contravenes with the latter.

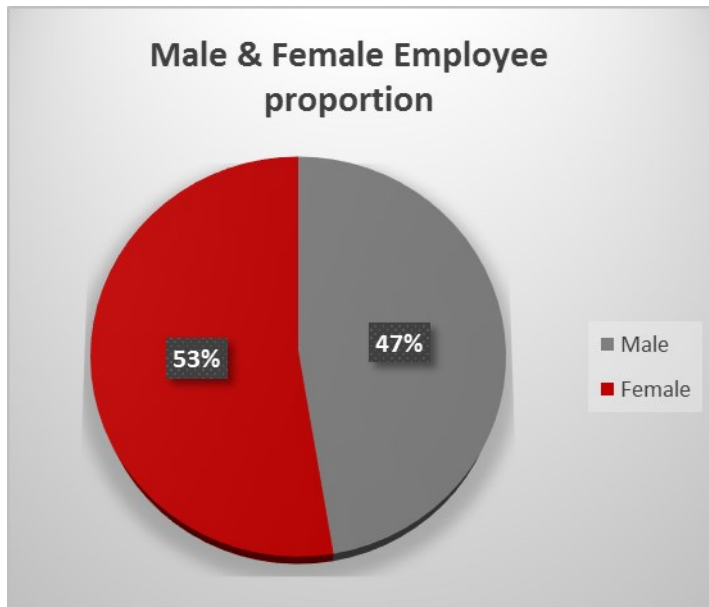
To support Principles 4 and 5, ABL respects legislation on forced labour, compulsory labour and child labour; this is included in ABL's Anti-Money Laundering Policies and Procedures. Furthermore, through our support to NGOs like Ti-Rayons Soleil, ABL strives to inculcate the culture of education among the poor and vulnerable populations. Through this endeavour, ABL aims at encouraging child literacy and preventing child labour.

ABL has a Hiring Policy, which clearly states that recruitment and selection decisions are based solely on merit and that any form of discrimination, whether direct, indirect or by victimisation, is not practiced. Furthermore, to support the elimination of forced labour, ABL recruits individuals based on contracts, to ensure that both parties are agreeable to all terms and conditions as stipulated in the contract. However, ABL does, as a motivation factor, advertise internally first, but opportunities are open to all candidates irrespective of their statuses.

Furthermore, ABL respects each of its employees and it does not discriminate between staff members. Presently, there are two disabled employees in ABL's head count. ABL will work alongside the Government of Mauritius and local authorities to achieve giving employment opportunities to job seekers with disabilities.

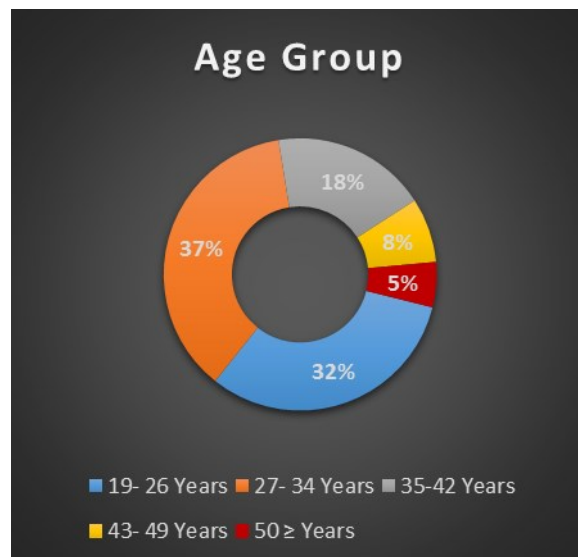
With respect to diversity of staff, 53% of the employees are female and 47% are male, showing that the diversity of gender is more or less proportional, as shown below. It should also be noted that 28% of the management committee are female.

## LABOUR



**Proportion of women in Management Committee**  
**28%**

In addition to the above, the diagram below shows that there is also a diversity in age groups.



## ENVIRONMENT

**Principle 7: Businesses should support a precautionary approach to environmental challenges;**

**Principle 8: undertake initiatives to promote greater environmental responsibility; and**

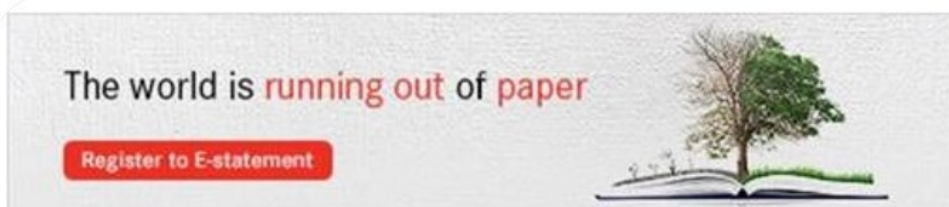
**Principle 9: encourage the development and diffusion of environmentally friendly technologies.**

Following the "Reduce, Reuse and Recycle" project, ABL has an ongoing corporate environment programme which aims at having a direct environmental impact on a short lapse of time, through principles 7 and 8. The programme consists of two phases; Internal and External. The internal phase has already been implemented at ABL and each department has been provided with waste sorting bins meant to classify waste as plastic, paper, batteries and general waste. The external phase is dealing with the cleaning up of an abandoned portion of land, nearby one of our office, and converting it into a park and health track.

To show its commitment to the project, ABL has gathered its employees for a clean-up event, during which 400kg of waste was collected in a period of 105 minutes. Among this waste, 59 Kg were classified as recyclable.

As a value added to the internal project, ABL is working on reducing the general paper consumption by shifting to electronic reports such as E-statement, E-advise and E-payslips, among others. Moreover, clients and shareholders are being prompted to opt for softcopies of the annual report.

To raise awareness on reducing paper use, ABL has updated its e-mail signature and website with the diagram below.



 Please consider the environment before printing this email

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## ENVIRONMENT

To further support the “Reduce, Reuse and Recycle” program, ABL has agreed to donate unused items, such as filing cabinets and drawers, to NGOs, in order to give a new life to these objects. This initiative will not only help reduce technological and general waste but it can also benefit the less fortunate.

In line with the same project and to promote principle 9, ABL has sponsored the projection of a movie named ‘Demain’ which won an Oscar at the 'Festival de Cannes'. This initiative was conducted as a means to raise awareness about environmental issues among the staff and the public at large and thus prompt them into eco-initiatives.

In addition to the environmental projects, ABL has in place, policies and procedures that restrict investment or funding in activities linked to production of dangerous chemicals and destruction of the environment and wild-life, such as destruction of habitat or prohibited fishing. ABL also ensures that all its investments are in accordance with international standards like the Basel Convention and the Convention on International Trade in Endangered Species of Wild Fauna and Flora



## ANTI-CORRUPTION

***Principle 10:* Businesses should work against corruption in all its forms, including extortion and bribery.**

ABL's anti-corruption standards are based on legislation and regulations, such as:

- The Bank of Mauritius Guidance Notes (BOM)
- Financial Intelligence and Anti Money Laundering Act 2002 (FIAML Act 2002)
- Financial Intelligence and Anti Money Laundering Regulations 2003 (FIAML Reg 2003)
- Prevention of Corruption Act 2002,
- Prevention of Terrorism Act 2002 (Section 11-17)
- Convention for the Suppression of the Financing of Terrorism Act 2003,
- Prevention of Terrorism (Special Measures) Regulations 2003.

Apart from national legislation, ABL also has an internal Anti Money Laundering Policy and Procedure, based on the BOM Guidance Notes and the Financial Action Task Force (FATF); these are reviewed with respect to amendments in relevant Acts, Guidance Notes and Regulations.

The Financial Action Task Force (FATF) reinforces the principle of "Know Your Customer" (KYC), which helps prevent illegal and non-authorized transactions. Additionally, ABL has in place relevant policies, procedures and systems to comply with the FATF requirements and the KYC principle. This helps in preventing ABL from being exposed to undue legal, compliance, regulatory and reputational risks.

Being passive towards corruption is considered as an offence in Mauritius and thus, ABL has, in an attempt to prevent such activities within its milieu, ensures that Anti-money laundering trainings are included in induction sessions for all employees. These help introduce money laundering as an alarming issue to bank employees, in order to tackle the matter at its source.

Frontline staff, including tellers and the sales teams, as well as the Management, who are more involved in banking transactions and who directly deal with customers, have been provided special training about how to detect and report money laundering cases .

The Conduct and Ethics Policy of ABL also governs the issue of conflict of interest and clearly states that all employees should put ABL's interest before their own, while doing their duties. To ensure the smooth running of the bank, there is a Committees and Policy Making Framework, which provides for an Audit Committee, a Conduct Review Committee, a Corporate Governance Committee, a Risk Management Committee, an Executive Committee (EXCO), a Credit Risk Committee, a Human Resource Committee, an Asset and Liability Committee and a Treasury Committee.

## **ANTI-CORRUPTION**

These committees meet up, on a frequency ranging from daily to quarterly per annum. They all consist of a number of different leaders of the business as well as directors, and sometimes of independent non-executive members, to ensure that there is no conflict of interest and that all decisions taken are made in accordance to ABL's interests.

ABL also ensures accountability and transparency by communicating its financial information to its stakeholders each year, through its Annual Report.