



**Communication on Progress
Year: 2020**

Period covered: Financial Year 2018/2019

STATEMENT

MCB Ltd is committed to making a sound and sustained contribution to the communities it serves. MCB Group, of which MCB Ltd (the Bank) is the main subsidiary, has a Corporate Sustainability Programme articulated under three pillars: the development of a vibrant and sustainable local economy, the protection and valorisation of our cultural and environmental heritage and the promotion of individual and collective well-being.

The Bank's governance and risk management framework is well established. A fundamental component of our operations is to ensure that engagement with our stakeholders is managed in an optimum manner, in alignment with good international practices and in adherence to regulatory rules.

Since its commitment to the United Nations Global Compact in December 2007, MCB Ltd has fully supported the ten principles of the Global Compact and is committed to making them part of its strategy, culture and day-to-day operations.

Our Communication-on-Progress this year refers to our Group's Sustainability Report 2019. Links to relevant sections of the report are provided under each of the ten principles. Only additional information not contained in the Sustainability Report is detailed in the present document.

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Action Taken & Impact Achieved and/or Plans for the upcoming Year

Global Compact Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights

The Bank, via its Code of Ethics, has formalised its commitment to respecting human rights throughout its operations. MCB Ltd continued to work towards entrenching a balanced workforce in terms of gender, age group and experience in order to tap into a wide range of knowledge, skills and specialist competencies towards achieving its business strategies. Moreover, the Bank has laid due emphasis on the need to nurture our values as well as further strengthen the purpose and role of each employee within and vis-à-vis the organisation and society. In addition, the Bank has also sought to foster healthy and secured working environments at various levels. At the Group level, MCB aims to promote social well-being, empowerment of those in need and reduce inequalities via its CSR arm – the MCB Forward Foundation (MCBFF)

Read more in our Sustainability Report 2020:

pg 84 – Training and development

pg 88 – Remuneration philosophy

pg 89 – Health and safety

pg 95 – Corporate social responsibility

Global Compact Principle 2:

Businesses should make sure that they are not complicit in human rights abuses

The Bank is committed to conducting business in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulations. As such, it adheres to the 'Code of Ethics' of MCB Group Ltd, which has been devised to provide directors and employees with the required information to enable a proper understanding of their ethical responsibilities and on how to always conduct business with the highest levels of integrity. As such, the Bank ensures that business operations do not violate human rights principles. Where the Bank deems it appropriate, disciplinary or preventive actions may be taken to address existing or potential violations of the 'Code of Ethics'.

Read more in our Sustainability Report 2020:

pg 36 – Ethics & integrity

pg 38 – Business transparency and human rights risks

Global Compact Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Any employee can join the MCB Employees' Association whose objectives are to:

- regulate relations and settle disputes by conciliatory methods whenever possible between MCB employees and their employer and, whenever necessary, between the members and other workers;
- protect the interests of its members as set out in the Procedure Agreement entered between the Union and MCB;
- maintain funds for these purposes and for the purpose of protecting the rights of members in relation to their contract of employment; and
- co-operate with other trade unions having for one of their objects the promotion of the interests of employees within the scope of the Worker's Rights Act 2019.

The MCB Manual Workers Association which regroups workers in technical occupations including manual workers, messengers, IT technicians, cooks and waiters is well entrenched and has established a very good line of communication with the HR and the Leadership Team of the Bank.

MCB has established a Grievance Policy, in accordance with the Code of Practice set out in the Worker's Rights Act 2019. The employee is entitled to make use of the policy to resolve any matter with his line manager and, in case the outcome is deemed unsatisfactory, further escalate the matter and solicit the assistance of a representative of the Employee Association or Union of which he is a member.

Read more in our Sustainability Report 2020:
pg 90 – Employee dialogue

Global Compact Principle 4:

Businesses should uphold the elimination of all forms of forced and compulsory labour

All individuals who are offered a job are presented with an employment contract. The contract stipulates the conditions of employment relating to the job offered. The HR representative takes the individual through all the conditions, to which he agrees by signing the documents. Moreover, the Bank ensures that business operations do not violate any human rights principles, as stipulated in the Group's 'Code of Ethics' to which the Bank adheres.

Global Compact Principle 5:

Businesses should uphold the effective abolition of child labour

In accordance with the existing labour laws in Mauritius, the Bank does not employ anyone below 18 years.

Read more in our Sustainability Report 2020:
pg 83 – Labour practices and decent work
pg 83 – Headcount per generation

Global Compact Principle 6:

Businesses should uphold the elimination of discrimination in respect of employment and occupation

The Bank is an equal opportunity employer and adheres to an Equal Opportunity Policy, aimed at minimising the risk of any form of discrimination against an employee. The Bank ensures that no employee is treated differently and that opportunities for employment, training and promotion are accessible to all candidates irrespective of their status (i.e. age, caste, colour, creed, ethnic origin, impairment, marital status, place of origin, political opinion, race, sex or sexual orientation). In addition, the Bank ensures that selection for employment, promotion, transfer and training and access to benefits, facilities and services are fair and equitable and based on merit.

Read more in our Sustainability Report 2020:
pg 87 - Diversity

Global Compact Principle 7:

Businesses should support a precautionary approach to environmental challenges

The Bank is committed to reduce its direct environmental impacts such as energy consumption, waste and water. Furthermore, MCB is also working on reducing its indirect environmental impacts through the projects and corporates it finances. A first milestone has been achieved this year through the Bank's decision to estimate part of its financed CO₂ emissions i.e. scope 3 emissions.

Read more in our Sustainability Report 2020:

pg 60 – Direct environmental impacts of MCB Ltd

pg 64 – Carbon footprint of MCB Ltd

pg 66 – Indirect environmental impacts of MCB Ltd

Global Compact Principle 8:

Businesses should undertake initiatives to promote greater environmental responsibility

The Bank is committed to encourage eco-friendliness among its stakeholders through awareness campaigns on environment protection. Last year, MCB staff organised a ‘Plogging’ event aimed at picking up rubbish in the country’s capital, Port-Louis, where our HQ is located. MCB also launched the campaign ‘Your Card for Change’ whereby the use of our debit cards contributed to funding biodiversity efforts of our long-term partner, the Mauritian Wildlife Foundation.

Read more in our Sustainability Report 2020:

pg 63 – Paper

pg 70 – Partnership with the Mauritian Wildlife Foundation

pg 72 – Partnership with Ebony Forest

pg 73 – Plogging the way to awareness

Global Compact Principle 9:

Businesses should encourage the development and diffusion of environmentally friendly technologies

The Bank continued to provide its ‘Green Loan’ credit facilities offered in partnership with the Agence Française de Développement (AFD) under SUNREF, its green finance label. These loans, which carry preferential interest rates, are meant to finance Climate Change adaptation and mitigation projects. An investment grant of 5% of the loan amount is given to the client for climate change mitigation projects whereas this value goes up to 15% for climate change adaptation projects.

Read more in our Sustainability Report 2020:

pg 74 - Positive impact products: the Green Loan

Global Compact Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery

The Group is committed to fight against bribery, fraud and money laundering, and has set up a risk governance framework to manage those risks. This framework includes a Board-level Risk Committee, a Permanent Control department and an Internal Audit function. Furthermore, our Code of Ethics, Conflicts of Interest & Related Party Transaction Policy and Whistleblowing Policy serve as behaviour guidelines for our staff.

Read more in our Sustainability Report 2020:

pg 36 – Ethics and integrity