



IN CONVERSATION WITH MCB LTD'S CHIEF EXECUTIVE OFFICER, ALAIN LAW MIN

Why is it important that MCB help address Mauritius' key environmental and social challenges, particularly to support the local economy?

As a small island state, Mauritius is vulnerable to extreme climate events: the World Risk Report 2022 by Bündnis Entwicklung Hilft ranked Mauritius 107th on its list of 192 countries with the highest exposure to disaster risk. Across the globe, we have witnessed an increase in extreme weather conditions such as fires, droughts, cyclones and floods. Locally, we have also seen the impact of floods and coastal erosion on our communities and economy. The country is further challenged by the fact that Mauritius does not have an abundance of natural resources and is a net importer of goods and services. With the disruption in supply chains during the pandemic, it became apparent that our development is dependent upon supporting local production that will help to stimulate economic growth. As such, we need to invest in social and environmental resilience if we wish to prosper. We believe that doing good for our communities is ultimately good for business.

MCB has been in existence for more than 180 years. Throughout its history, we supported the transition and development of the economy. We played an active role in the diversification of Mauritius from a monocrop economy to new sectors such as textile manufacturing, tourism, financial services and Information and Communications Technology. We are now taking a leading role, together with other stakeholders, in driving sustainable finance solutions and ensuring an appropriate and agile response to climate risk, which will ensure the sustainability of Mauritius, its economy and its society.

What are you most proud of in terms of what MCB contributed to local economic development during the year and where do you believe there is opportunity to do more?

The past financial year has been a turning point for Mauritius after two difficult years following the onset of the pandemic.

COVID-19 created significant volatility and uncertainty. In particular, the extensive socioeconomic impact of the pandemic highlighted the urgent need for businesses to re-align their growth ambitions with the social, economic and environmental needs of customers, communities and other stakeholders to remain competitive and relevant. In this regard, I am particularly proud of how MCB weathered the storm and continued operating and serving customers for the benefit of the broader economy while caring for the well-being of our employees. This included assisting with digital payment solutions that enabled people to stay connected to critical services like the delivery of food and household items or simply providing uninterrupted essential banking services.

Prior to the onset of the pandemic, we launched several conferences focused on local economic development and tackling climate change. The learnings from these discussions were particularly relevant during COVID-19 when we were looking for opportunities to increase the resilience of the local economy.

Some key initiatives include, among others:

- Maintaining Mauritius' local productive capacity, with a particular focus on supporting the tourism and hospitality industry – most notably in terms of credit relief and working capital facilities to help our clients cope with a sudden drop in turnover
- Creating local economic hubs, underpinned by our online business-to-business platform Punch. We are enhancing this offering by creating stronger networks of collaboration for entrepreneurs. This includes bringing together consumers, entrepreneurs, suppliers and logistics providers, among others, to make it easier for entrepreneurs to tap into economic networks across the country
- Investing in venture capital that promotes infrastructure to improve agricultural production. It is worth highlighting the partnership of MCB Group with Katapult as the lead investor in its impact accelerator programme, Katapult Mauritius Accelerator

Looking forward, we will continue to find ways to accelerate local employment and job creation by looking for opportunities to collaborate and leverage our skills and expertise for the good of local communities.

Reflect on MCB's climate journey and the importance of financing Mauritius' climate transition – why is this so important to MCB and what stands out for you as MCB's key contributions to accelerate climate action locally?

At MCB, we have been on our climate journey for many years but significantly ramped up our efforts in recent years in line with our sustainability engagement, 'Success Beyond Numbers'. Our vision is to work with all stakeholders towards a carbon-neutral Mauritius.

Achieving this ambition is critical if we wish to reduce and adapt to the potentially devastating impact of climate change, which is threatening the lives and livelihoods of local communities and people around the world. Recent milestones include developing green credit schemes, investing in and facilitating credible carbon offsetting programmes and stopping all new coal financing. We are also taking steps to minimise the environmental impact of our internal operations by managing our direct greenhouse gas emissions, water and paper usage and waste generation. Our approach is governed by the financial industry benchmarks, which help us integrate ESG factors into our financial portfolio.

While we have made promising progress, our journey is only beginning. Collaboration between the public and private sectors and relevant regulatory and legislative bodies will be critical if we want to achieve any significant positive impact.

As one of Mauritius' largest corporate players, I believe we have a responsibility to leverage our scale and mobilise this collaboration to help our country build back better. There is no better way than to support the country's ambition to achieve 60% of renewable energy in our electricity production by 2030. This means not only playing our part by providing funding for renewable energy products and developing green products and services but also creating awareness on the importance of financing Mauritius' climate transition. On this note, we are excited about the Rs 5 billion credit line that we are deploying to finance green energy projects.

Challenges, such as limited local expertise in climate-related risk analysis and poor availability of climate and environmental data, must be addressed through investment and capacity building. There is also an opportunity for the banking sector to come together under a sector-wide initiative to share our experiences and learn from one another.

While the road ahead may not be easy, it is one of the most important we will travel. We look forward to finding opportunities to work together to finance a resilient future.

MCB is on a journey to bridge the gender gap – what progress was made on this journey in the past financial year?

In 2019, we made a commitment to reach 40% of women in the middle and senior management positions by 2026. This is a bold ambition. At MCB, we firmly believe that integrating more women into management positions will not only enable us to leverage the full potential of our employees and improve performance but also promote the participation of women in the broader economy.

A focus area for the past year was ensuring that we create the right tone at the top. We launched Allies for Change workshops, in collaboration with Curtin University and the Australian Embassy in Mauritius. These workshops aimed to help our leadership team become aware of unconscious bias towards women and provide them with the ability to identify constraints and enablers for women's empowerment within the organisation. In addition, we also focused on preparing the pool of future women leaders by offering training, launching a Women in Leadership Programme and initiating 'Lean in Circles' for MCB Women Leaders.

A key enabler to help women move up the managerial ladder is to provide the necessary support for our employees and to strike a satisfactory balance between work and personal life. To support this balance, we doubled paternity leave from five to ten days and extended the leave to unmarried fathers. This reflects our belief that fathers also have an important role to play in family life and we need to ensure that we create opportunities for them to assist with childcare. Flexible working arrangements remain available to our employees, and we believe this will remain key to bridging the gender gap.

You can read more about the initiatives in this report. I believe good progress has been made during the past year and much more remains to be achieved.

Any closing remarks?

Guided by 'Success Beyond Numbers', we have laid a solid foundation to achieve our ESG goals and we remain resolute and focused on what we need to deliver in the new financial year. This will be supported by refined operational and governance structures that will support a growing awareness and robust oversight of sustainability topics across the organisation. To this end, I believe there is opportunity to move towards even deeper integration of sustainability into our corporate culture. This will be achieved through dedicated training, employee engagement and culture programmes, product development, and more.

Our employees have demonstrated their willingness to join us on this journey and I thank every employee who has adopted 'Success Beyond Numbers' in their daily lives. I would also like to thank the Board of Directors and the Board Committees, who have supported and guided our sustainability journey.

MCB showed resolve in the face of crisis, and I do not doubt that we are well placed to excel in the year ahead. We will continue to leverage our entrepreneurial spirit as we look for ways to do things differently and take a leading role in creating prosperity and resilience for our stakeholders.

Alain Law Min
Chief Executive Officer
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