

SUSTABILITY REPORT 2022
YEAR ENDING 30 JUNE 2022

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MESSAGE FROM CEO



Dear Readers,

We are pleased to present our sustainability report for the financial year ended 2021-2022 highlighting our sustainability strategy, performance and achievements. The past two years have been marked by many challenges but also many opportunities for us as a banking institution. These have reaffirmed our belief in sustainable practices and its importance to shape us into a more resilient organisation. In addition, the post pandemic effects and the energy crisis emanating from the Russia-Ukraine war are very likely to impact the ESG agenda worldwide. ESG is no longer a “nice to have” strategy; it is increasingly becoming more and more prescriptive and standardised. The international landscape is fast evolving and this mandates our prompt action to keep pace with the dynamic environment. New legislations are being implemented globally in this vein and initiatives are being launched to catalyse the adoption of ESG principles. Same has been AfrAsia Bank’s endeavour over the past year.

OUR COMMITMENTS

Mauritius’ ESG (Environmental, Social and Governance) outlook is fast evolving. Regulatory requirements regarding sustainability and climate change – especially for banks – are not only becoming more stringent but are also prompting financial institutions to review and realign their business strategies from an ESG lens. From our operations to our product offerings, we strive to continuously embed sustainability practices and promote the ESG agenda in Mauritius.

• Corporate Sustainability

The Guideline on Climate-related and Environmental Financial Risk Management, released last year by the Bank of Mauritius, has accelerated the dialogue around the integration of climate change considerations within the overall enterprise risk management system. This is a watershed moment for our financial sector as banks and other financial institutions are at the forefront of these intense changes. At AfrAsia, we are duly developing our Climate-related and Environmental Risk Framework and also our Environmental and Social Risk Management Framework.

• Stakeholder Engagement

We also focus on supporting the ESG between the public and private sector through our board membership in the Global Compact Network for Mauritius and the Indian Ocean. We have renewed for 2022 our commitment to the United Nations Global Compact (UNGC) and the Global Reporting Initiative (GRI) community.

• Sustainable Finance

The financial sector is at the forefront of ESG and the sustainability agenda. As such, it will have a critical role to play in the future, especially in the development of financing mechanism for the advancement. As one of the only three banks in Mauritius embarked in the SUNREF (Sustainable Use of Natural Resources and Energy Finance) programme in partnership with Agence Française de Développement, we have been steadily increasing our portfolio of sustainable financing.



● AfrAsia Foundation

One of our key achievements remains the launch of our AfrAsia Foundation in May 2016. Acting as the social arm of the Bank, the Foundation is anchored on the premise to uplift communities in the Mauritian society. The Foundation's mission of "Shaping A World of Difference" is translated through three main areas of focus: Education, Health and Environment. AfrAsia Foundation emphasizes on long-term projects in all its three pillars; Under the Education pillar, our AfrAsia school was established in 2017 in collaboration with the NGO Ti Rayons Soleil to offer a safe environment that provide free access to preprimary education to vulnerable and underprivileged children as well as a "Parent Empowerment Support Programme" for their parents. Since the inception of AfrAsia School, 39 AfrAsia Kids have graduated and more than 50 families are enrolled in the "Parent Empowerment Support Programme". Under the Health Pillar, we have partnered with the NGO Link to Life since 2014 to implement various initiatives and campaigns with the aim to raise awareness on cancer and the importance of early screening. More than 2600 screening were conducted by the two ultrasound screening machines sponsored by the Foundation in 2017 and 2021. For the environmental pillar, the "SOS Mangrove Programme" has been implemented in collaboration with the NGO Reef Conservation following the MV Wakashio oil spill with the aim to restore and protect Mangrove trees around specific areas in Mauritius and also provide educational and sensitisation sessions to the community. The Foundation also joined forces with Round Table Mauritius to provide food and household necessities to 29 Families who were directly affected by the oil spill.

Established in 2017, our AfrAsia School aims to offer a life-long learning opportunity to underprivileged children by providing pre-primary education and an after-school program. Since the inception of AfrAsia School, 39 AfrAsia Kids graduated and we have reached 61 families in collaboration with the NGO Ti Rayons Soleil.

To strengthen its commitment with the Mauritian society, AfrAsia Foundation is in the process of assessing its project and impact on the community and will be introducing new social innovative action plan and project for Education, Health and Environment which remains in connection to emerging social challenges being faced by the society in this fast-changing era.

FUTURE OUTLOOK

AfrAsia Bank has placed a strategic foot forward in reviewing its sustainability strategy, 'Be Sustainable', which will be implemented in the year 2023. Based on 4 pillars, this strategy will guide us on our journey ahead towards ESG integration and reporting. Our focus will remain on developing and offering innovative solutions that will enable both our clients and the Bank to move towards a greener and more inclusive economy.



Before I pen off, I wish to convey my appreciation to our valued customers, our board members, all AfrAsians, and our kind donors. Without your continuous support, we would not have been able to make a meaningful difference for our community. I wish you an insightful read of our sustainability performance for the financial year 2021-2022.

Yours Sincerely,
Thierry Vallet
Interim Chief Executive Officer

ABOUT THIS REPORT



REPORTING PERIOD

AfrAsia Bank Limited (the “Bank” or “AfrAsia Bank” or “AfrAsia” or “ABL”) 2022 Sustainability Report focuses on the Bank’s non-financial performance for the period of 01 July 2021 to 30 June 2022. Key initiatives material to this report that have taken place after this period and until the approval of this report have also been highlighted.

TARGET AUDIENCE

The Bank’s stakeholders

INTERNATIONAL STANDARDS

This report has been prepared using the Global Reporting Initiative (GRI) Standards as the main reporting framework and gives an overview of AfrAsia’s sustainability strategy and related initiatives. The United Nations Global Compact’s 10 principles and the Sustainable Development Goals (SDGs) have also been used as major references to build the 2022 sustainability report.

BOUNDARIES

All information in this report pertains to ABL and its subsidiaries. Unless explicitly mentioned, Key Performance Indicators (KPIs) are for the head office in Port Louis and the Ebene branch office.

FORWARD LOOKING STATEMENTS

Forward-looking statements in this report are subject to change in line with the Bank’s evolving corporate strategy and vision.

CONTACT POINTS

For any additional information or feedback, please contact:

1. Mr Alvin Peerthy, Senior Manager Sustainability & CSR at Alvin.Peerthy@afasiabank.com, or;
2. Mr Tabrez Mohamudally, Corporate Sustainability Officer at Tabrez.Mohamudally@afasiabank.com



OUR SUSTAINABILITY AGENDA

AFRASIA'S SUSTAINABILITY STRATEGY

THE BANK'S PROFILE

Head Office: Port Louis | Branch: Ebene | Representative Office: South Africa | Number of Employees: 424
Markets served: Africa, EMEA, Asia | Net Profit After Tax: MUR 1.4 Bn

OUR CURRENT STRATEGY

AfrAsia Bank's current sustainability strategy is based on 4 pillars, which act as the blueprint for all sustainability related initiatives taken at the Bank.

The challenges posed by the global COVID-19 outbreak also provided unprecedented opportunities for companies to push their sustainability agenda even further. The 2022 financial year has been a year of adaptation for the Bank in general, whereby departmental projects were put on hold and reassessed for their relevance.

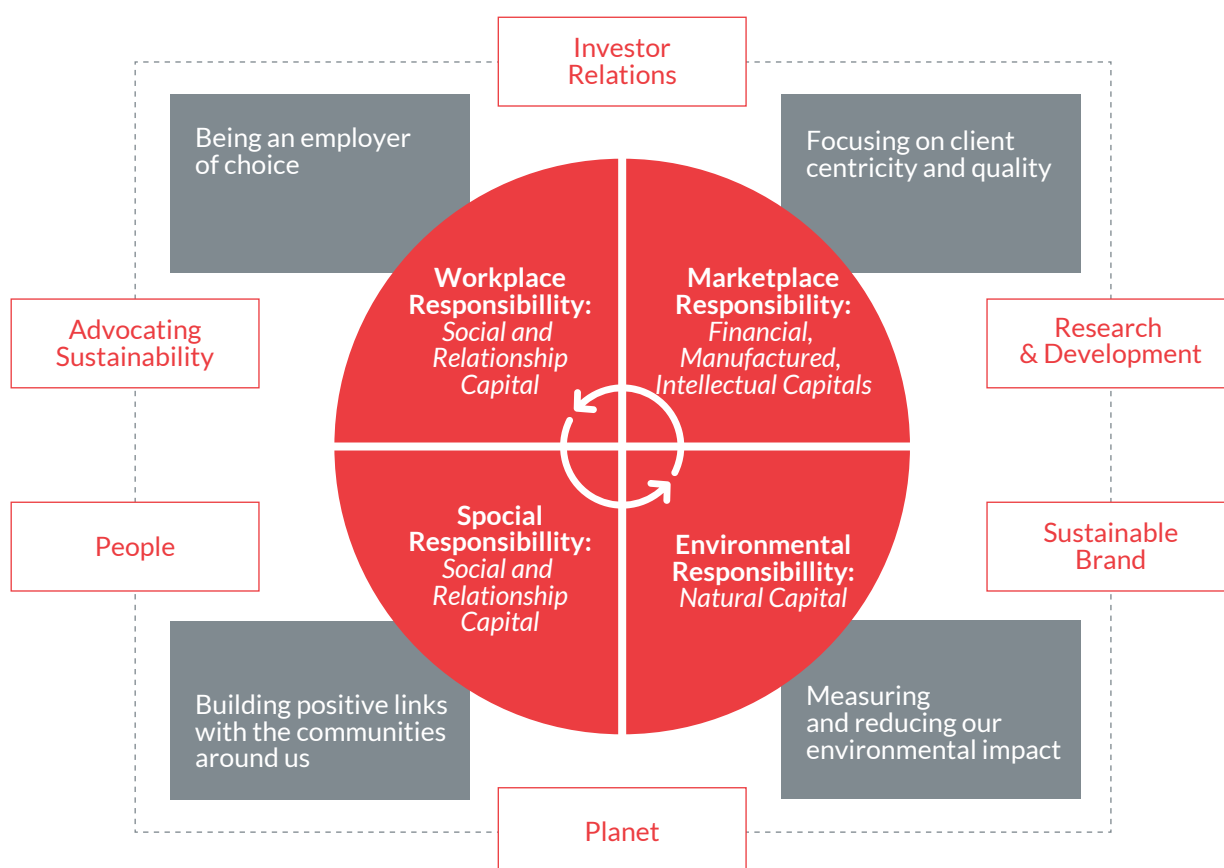


Figure 1: ABL's current strategy

From the Sustainability department's perspective, the financial year 2022 has been a period of transition with the arrival of the new head of department, Mr Alvin Peerthy.

AfrAsia, in its commitment to the Sustainable Development Goals, especially the SDG 17: Partnerships for the Goals, has participated in various initiatives as part of the United Nations Global Compact (UNGC), Global Reporting Initiative (GRI) as well as various seminars centered around sustainability (Rehabilitation and protection of Coastal areas, Climate Related and Environmental Risk Management, Rain water management).

FUTURE OUTLOOK

As part of the Bank's ongoing commitment to drive sustainability at national and regional levels, ABL will continue to work with the United Nations Global Compact (UNGC). Additionally, through its Head of Sustainability & CSR, ABL sits as a board member of the local branch of UNGC and will continue to advocate for the adoption of sustainability frameworks and the Sustainable Development Goals (SDGs) by businesses.

We have worked on our strategy going forward entitled, 2025: Be Sustainable, to develop a roadmap for our future initiatives. Validated in December 2022, this strategy will be rolled out across the Bank and will focus on 4 pillars namely: Afrasia Foundation, Corporate Sustainability, Stakeholder Engagement and Sustainable Financing. By leveraging on collaboration between different stakeholders, we want to create value for the society, our people and our shareholders, mitigate our environmental impact and provide sustainable solutions for our clients.



Figure 2: 2025 Be Sustainable Strategy



OUR CULTURE & VALUES - DARE



Figure 3: Dare Objectives

To enhance Employee Experience through the Bank's values, D.A.R.E, to drive Customer Experience and to make our employees happy, so they can in turn make our customers happy.

CULTURE AMBASSADORS

The role and responsibilities of the Culture Ambassadors are to promote the D.A.R.E values and ensure a positive work culture by setting the right example for other staff to follow. The aim is to make every staff a culture ambassador and we organise events and parties which are tailored by the staff, for the staff.

PROJECTS AND INITIATIVES

Despite the pandemic, and challenging work from home conditions, we have organised the below events and initiatives for the staff during the financial year 2021/2022:

- Fantasy Premier League Online Contest
- Social Media Online Competition
- Virtual celebration of the Bank's 14th anniversary
- Virtual Mother's Day celebrations
- Weekly lunch menu for staff onsite by Chef Felix
- Participation in the Dodo Trail
- Launch of New Signature Visa Debit Card for AfrAsia – Staff lucky draw
- Special Deals for AfrAsians Gym, Car Wash, Restaurants, Hotels

Dragon's Den Initiative

In the quest to foster innovation and an intrapreneurial culture, the Dragon's Den initiative was introduced to provide all ABL staff the opportunity to participate and come forward with their leading innovative "game" changing ideas which will challenge the status quo and ultimately improve process efficiency to impact positively on Customer Experience.

Two projects were retained and are in deployment: The Visitors Management System (VMS) has already been implemented while the RFID tagging and security control are currently in progress.

SUSTAINABILITY

The DARE Culture Ambassadors wish to positively impact and influence all staff, by encouraging them to adopt the People, Planet and Profit approach in the activities that meet the needs of the enterprise and its stakeholders today while protecting, sustaining and enhancing the human and natural resources that will be needed in the future.

- We ensure that the suppliers with whom we are dealing with are green certified.
- We started using ceramic or bio-degradable plates/utensils for events.
- We recycle every cartons/used paper/bio-degradable plates used.



Disruptive



Action



Rocking



E !!!



ACHIEVEMENTS

2015	<ul style="list-style-type: none">• Introduction of sustainability reporting in annual report• First reporting to UNGC• Development of 4 sustainability pillars
2016	<ul style="list-style-type: none">• Enhanced status for UNGC• Enhancement of our social & relationship and natural capitals through the creation of AfrAsia Foundation• Sustainability reporting on SDGs in annual report• Sponsoring of film “Demain”
2017	<ul style="list-style-type: none">• Official launch of AfrAsia Foundation and AfrAsia School• Participation in the SDG conference in India• Working on developing Sustainability in our Integrated Report• Research & Development on using the Global Reporting Initiative (GRI) for our reports• Development of a page dedicated to Sustainability on our website• Health Awareness Initiatives (Movember, Women’s Health Month – free screening for employees)
2018	<ul style="list-style-type: none">• Head of Corporate Sustainability & CSR nominated as chairperson of the Global Compact• Advisory Committee to Mauritius• Participation in UN conference (Making Global Goals Local Business) in Argentina• Launch of Global Compact Network Mauritius with AfrAsia Bank as Chair• Launch of first AfrAsia Bank Sustainability Summit (ABSS)• Achieved Advanced Level on UNGC for Integrated Report 2018• Participation in UN Conference (Making Global Goals Local Business) in Morocco
2019	<ul style="list-style-type: none">• Participation in Salon ProDurable• GRI community member• 2-day awareness workshop for AfrAsia Bank sustainability champions• Launch of ABSS Breakfast Meet in Johannesburg• Participation in the creation of the Voluntary National Review (VNR) report of Mauritius• 2nd ABSS Breakfast Meet in Singapore• 2nd edition of AfrAsia Bank Sustainability Summit (ABSS)• 1st edition of AfrAsia Bank Sustainability Award• Launch of Green Car Loan – first green product for ABL

<p>2020</p>	<ul style="list-style-type: none"> • Renewed commitment to United Nations Global Compact (UNGC) and GRI community memberships • Launch of second phase of AfrAsia School • Prostate Test and Chest X-Ray for male staff above 30 years (claimed under preventive care of medical insurance) • Sponsoring of Climate Launchpad • Incorporation of Global Compact Network (Mauritius) Foundation in Mauritius with AfrAsia's head of Corporate sustainability & CSR as chairperson of the interim board • Signature with Agence Francaise du developpement (AFD) for the SUNREF III bis Program • ABSS Cocktail Evening in collaboration with Phoenix Bev • Participation in research project - Business, the SDGs, and COVID-19 in Africa: How are companies responding to different objectives, timeframes, and contexts? • 20 mins with AfrAsia - ESG & Responsible Investing - Deal or No Deal? • Winner of the PwC Corporate Reporting Awards - Financial Institutions
<p>2021</p>	<ul style="list-style-type: none"> • GRI and UNGC memberships renewal • 20 Min with AfrAsia Webinar - Digital Transformation to build a Sustainable Business • Completion of SDG Ambition Accelerator Program by the Sustainability team • Launch of the UN Global Compact Academy for AfrAsia employees • Recruitment of new Head of Sustainability and CSR • Emergency Aid support programme for AfrAsia Foundation beneficiaries • Bring back a smile initiative • Ripple project • Call for Action - Wakashio Initiative
<p>2022</p>	<ul style="list-style-type: none"> • Wishtree Initiative • Home-schooling adventures • Emergency aid support programme in response to Covid-19 • Cancer Awareness and Support to Link to Life • Mahebourg Espoir Educational Center (food support & school materials) • SOS Mangrove Programme • AfrAsia Golf Academy (relaunched) • Soft launch of AfrAsia Green Loan



WORKPLACE RESPONSIBILITY

HUMAN CAPITAL

The Human Resources (HR) Department caters for all matters related to ABL's staff. Several projects are ongoing under the aegis of the HR department. The pandemic has had a significant impact on the operations and the day to day work of the Bank, with the main concerns being staff well-being and health, maintaining a low turnover rate and continuous training of AfrAsia's staff.

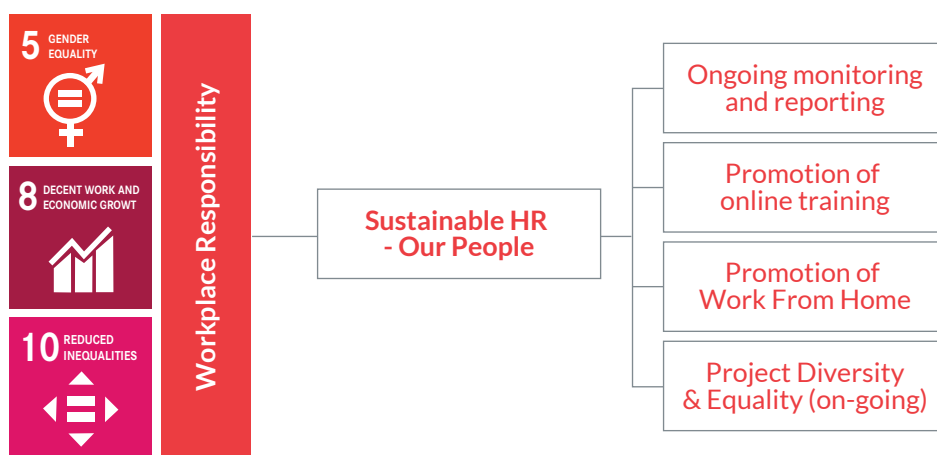


Figure 4: Projects under HR department



Figure 5: ABL's HR Strategy

As a responsible employer, the main aim of the Human Resources department is to provide a positive and happy atmosphere for Afrasia's staff. Considered as one of the key stakeholders for the Bank, employees' feedback and suggestions for the improvements of HR policies and processes are considered. The ultimate goal is to make Afrasia an "Employer of Choice".

STAFF PROFILE AT ABL AS OF JUNE 2022 (Mauritius and South Africa)

Total Number of Employees: 424

50% Male staff / 50% Female Staff

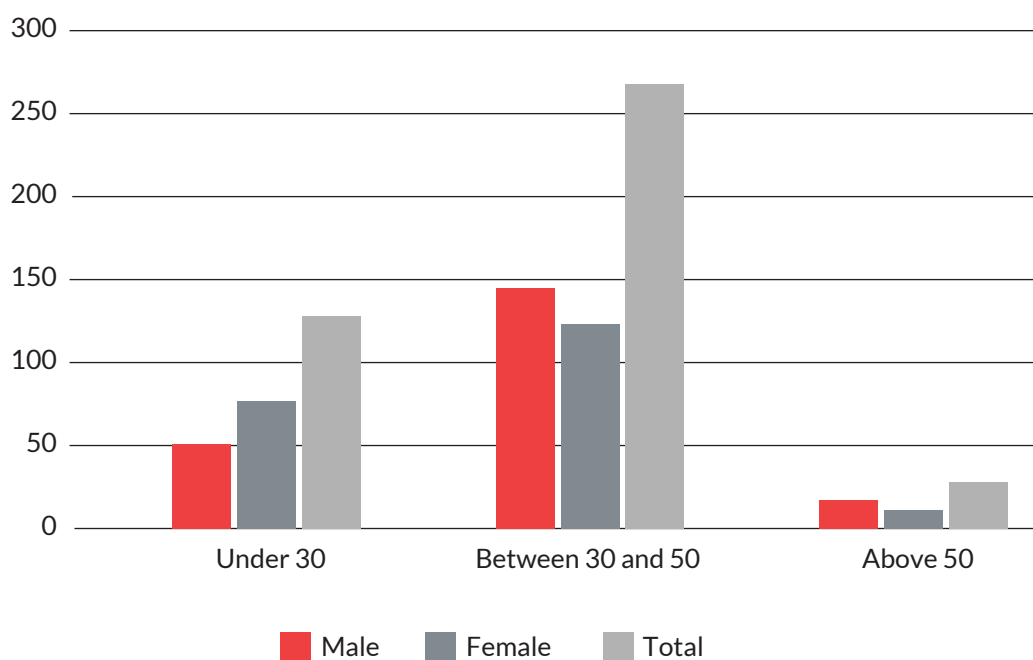


Figure 6: Age Profile (breakdown by Gender)

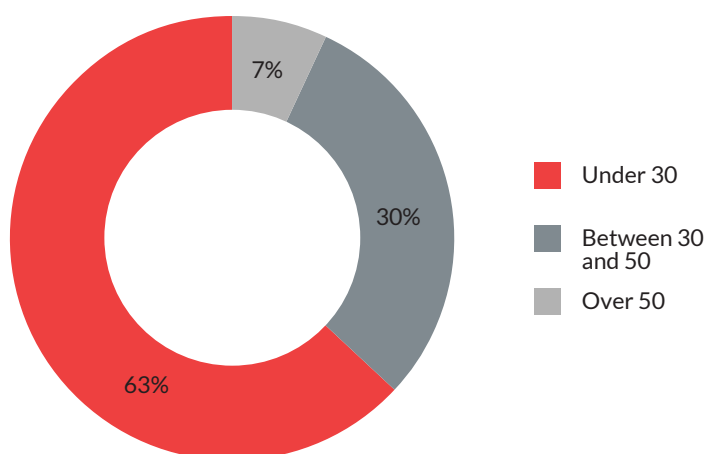


Figure 7: Age Profile (Percentages)

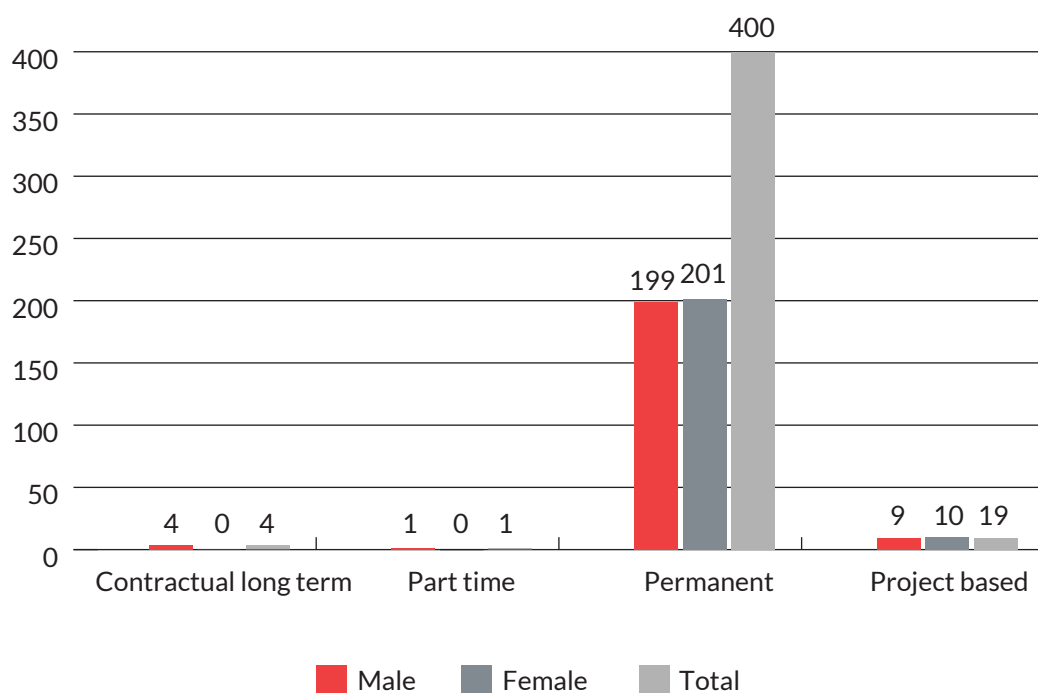


Figure 8: Types of Contract (breakdown by Gender)

ATTRACT

AfrAsia Bank has a formalised recruitment process that allows us to find the best profile for each opportunity and promotes equal opportunity and non-discrimination. Our candidates are offered an interesting package of financial and non-financial benefits, which include:

- Fantasy Premier League Online Contest
- Social Media Online Competition
- Competitive remuneration packages
- Work life balance (remote work, flexible working schedule, flexible contract)
- Employee benefits including loans (e.g. housing, car and personal) at very competitive interest rates
- Pension Scheme
- Employee discounts and promotional offers
- Annual birthday gift
- Parking benefits
- Study leave and sponsorship for tertiary education
- Social activities
- Health screening events
- Sports Activities
- High-performance high-rewards culture

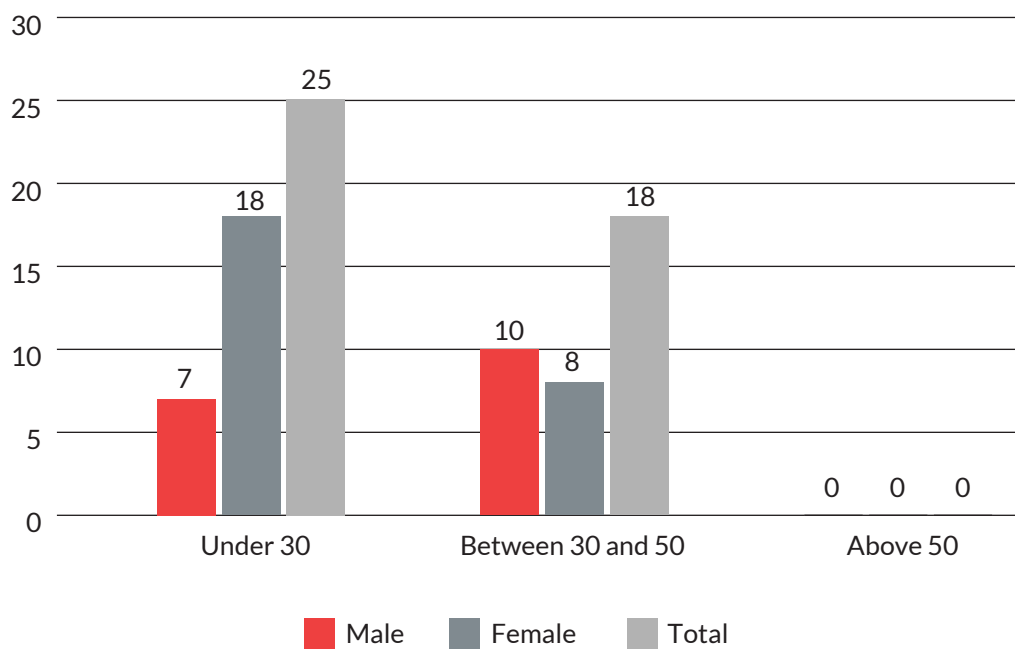


Figure 9: Total Number of new hires (breakdown by age and gender)

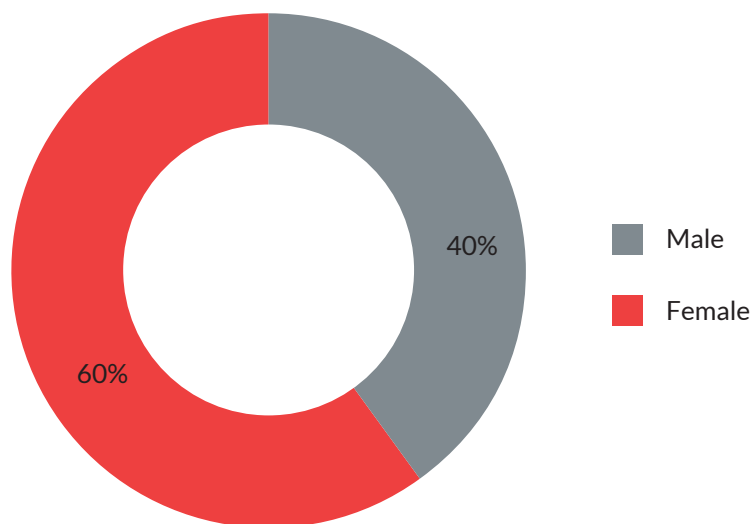


Figure 10: Percentage of new hires (breakdown by gender)



RETAIN

Retention of top talents remains the priority of the Bank. As part of the retention strategy, ABL's HR team systematically conducts exit interviews to gather valuable insights and comments from leavers. This data is critical and allows the HR department to find means and ways to bring improvements and maintain the turnover rate.

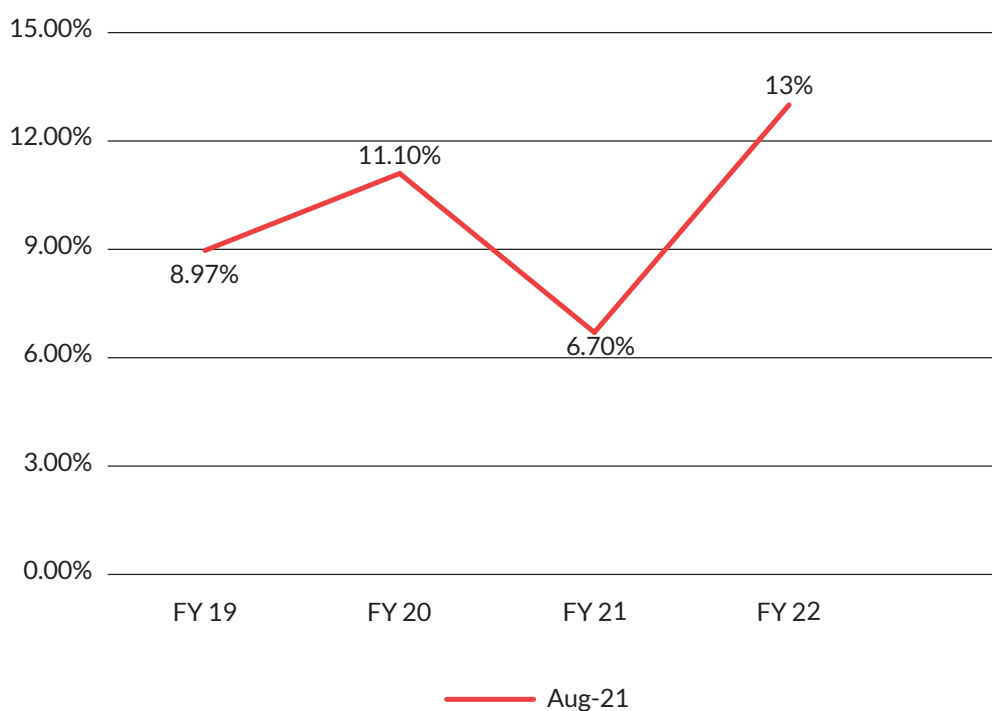


Figure 11: Turnover rate trend

The turnover rate in the financial year 2022 (13% with 51 exits) remains the highest in the last 4 years. The exit interviews demonstrated that most exits were mostly due to:

1. Better job opportunities with better salaries
2. Further studies

DEVELOP

AfrAsia's commitment to training its people has always been unwavering, despite the various challenges encountered. This financial year, the focus has been on upgrading the staff's soft and technical skills. Customized training sessions were deployed throughout the year, covering various topics.

Training was kept in the forefront through the optimization of the HCM and MS Teams online tools and the different Subject Matter Experts (SMEs), as demonstrated in the graph below, where an increase in average hours of training was noted as compared to the previous years.

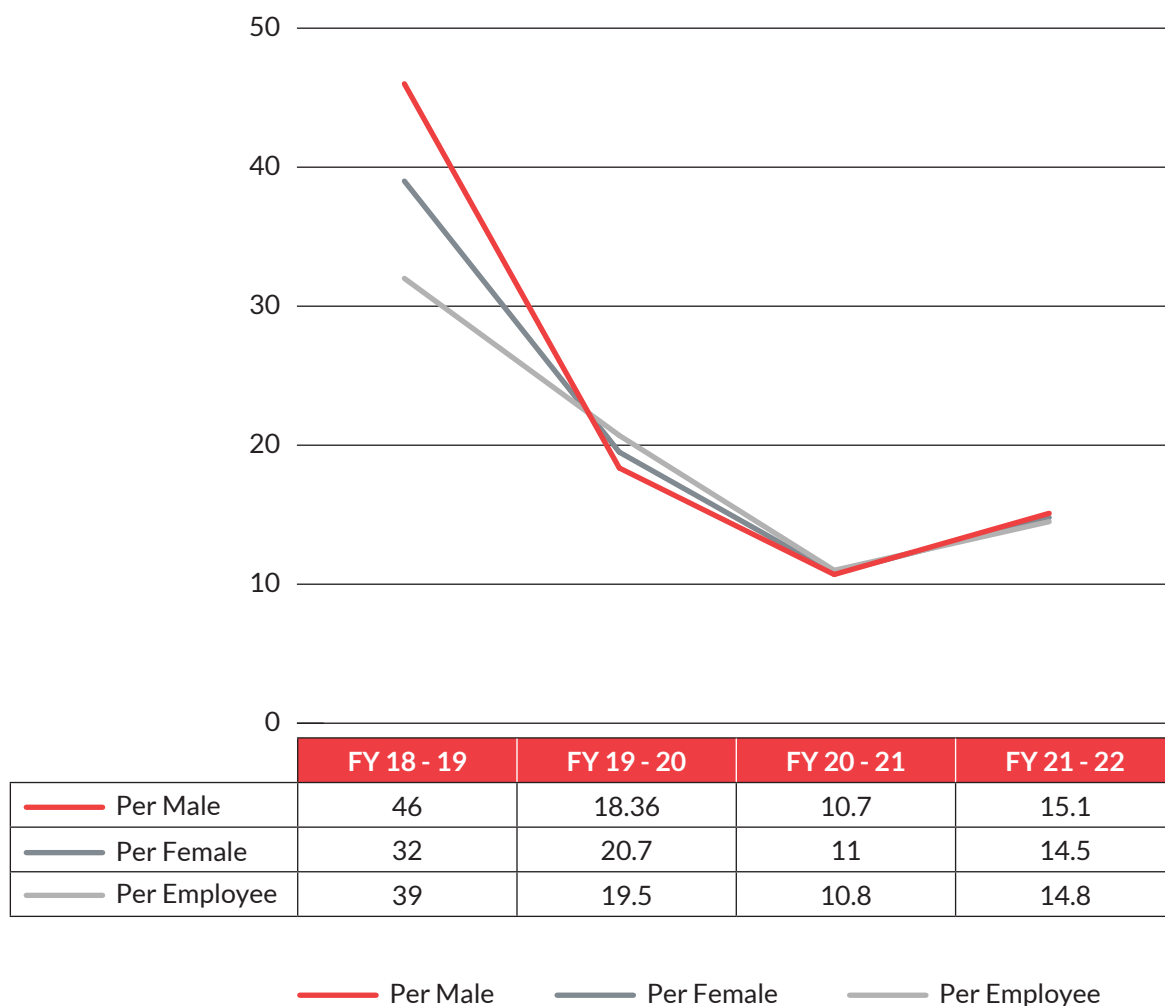


Figure 12: Average training hours (Trend and breakdown by gender)

In addition to training, a mandatory annual performance review has been performed for all staff, irrespective of gender.

3.5% employees have also started career conversations on a pilot basis. A direct result of which includes the promotion of 6 employees. The main aim of this project is to create meaningful discussions between our people and the HR department to uncover various aspects in relation to their career aspirations and, growth opportunities on a more individual & personal level, so they may take the necessary steps towards their career goals with a level of clarity and sense of purpose.



EQUAL OPPORTUNITY AND DIVERSITY

As an equal opportunity employer, AfrAsia Bank does not discriminate on any basis including race, colour, religion, national origin, gender, physical or mental disability, or age. Hiring and training practices are strictly based on a merit basis.

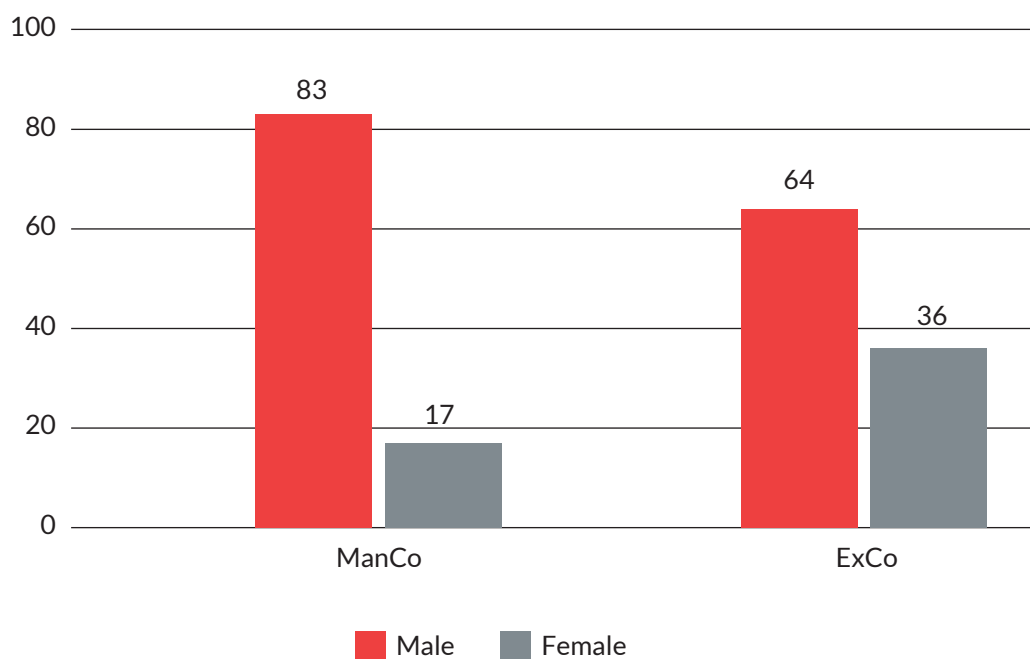


Figure 13: Gender breakdown in management and executive committee (Percentage)

The percentage of women in ABL's senior management teams, Management Committee (ManCo) and Executive Committee (ExCo) is monitored on a regular basis. This year, ManCo had only 17% of women while the highest level of management team (ExCo) boasted 36%. Several exits as well as internal promotions and new hires contributed to these two figures. ABL strives to maintain a gender neutral approach in its HR practices.

ABL's Whistleblowing Policy ([whistleblowing-policy.pdf](https://www.afrasiabank.com/whistleblowing-policy.pdf) ([afrasiabank.com](https://www.afrasiabank.com))) also ensures that matters of concerns are reported without subsequent victimization, discrimination or disadvantage.

HEALTH AND SAFETY HIGHLIGHTS COVID-19

Amid the COVID 19 pandemic, and with the relief of restrictions, the safety and health of the employees remains of utmost importance. In this respect, various measures have been taken to align with the Government's recommendations and to protect ABL's staff:

- Recommendation to wear the masks at work but usage of masks within meetings rooms is mandatory
- 1m distance between staff in normal working environment and in meeting rooms
- Use of sanitizer is maintained
- Hygiene practices is maintained (proper washing of hands)
- 80% maximum staff presence per department at any one time is still recommended
- Staff who are ill and symptomatic have requested to work from home and to be examined by a medical practitioner
- It has been further proposed that other parts of the protocol such as staff having been contaminated.
- Doors are to be henceforth kept closed on all floors and access cards are to be utilized by all staff
- Branches' staff recommended to wear masks
- Temperature taking and sanitizer application maintained for branches / receptions
- Box of mask to be placed in each meeting room
- Maputo and Nairobi have been removed as isolation rooms

COMPLIANCE WITH THE LAWS

The Occupational Safety and Health system is implemented as prescribed by the law. Accordingly, all requirements are met and implemented as per below:

1. A full time safety and health officer was appointed
2. Yearly fire warden training
3. Yearly fire drill training
4. Yearly first aid training (at least 10% of overall staff)
5. Minimization of health and safety risk through dedicated process and Risk Management
6. Safety training for sub-contractors
7. Antigen tests are done for employees on-site wherever necessary

ACCIDENTS AT WORK

Whilst the aim is to ensure the safety of all employees and visitors, no 'serious' accidents were reported for the financial year 21-22. Serious accidents are as per the definition of OSHA, meaning the injured person attended a medical center for treatment and was admitted overnight. The Health & Safety team does its best to ensure that accidents' occurrence is minimized, but if same eventually occurs, it investigates all accidents and takes the necessary steps to address any matters of concern or increase awareness to avoid a repeat incident. 2 sessions on General safety training (COVID 19) and 2 sessions of first aid training (1 inhouse and 1 delivered by an external supplier) were held.



MARKETPLACE RESPONSIBILITY

ABL's overall commitments towards its suppliers, customers and the regulatory bodies are regrouped under its marketplace responsibility pillar.

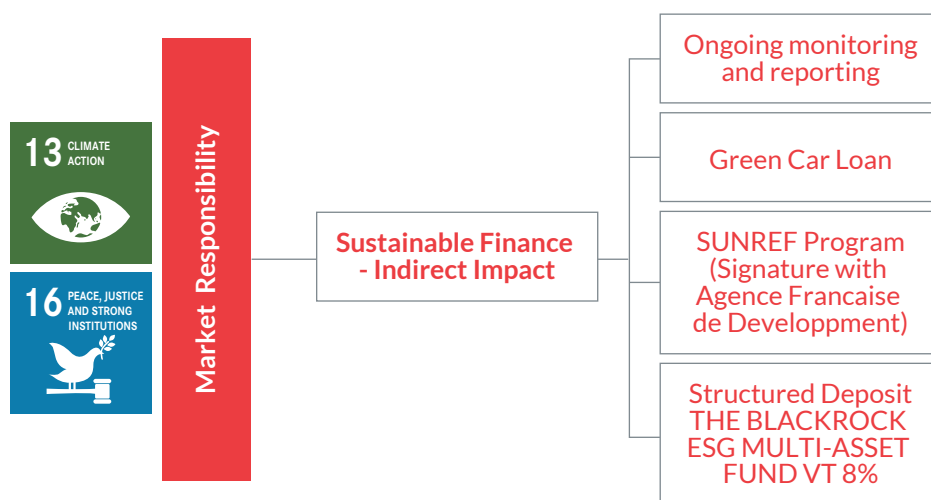


Figure 14: Selected projects under Marketplace responsibility (Sustainable Finance)

It is undeniable that the integration of Environmental and Social (E&S) factors in business decision-making is becoming the new normal. Therefore, this requires a structured, process-based approach anchored in continuous improvement across the following aspects:

- Compliance & Risk management
- Seizing opportunities
- Engaging stakeholders

COMPLIANCE AND RISK MANAGEMENT

As ESG reporting is becoming more stringent across the world, particularly in Europe and the US, we can expect ESG frameworks to become more prescriptive and hence, embedded in business decision-making. And consequently, banks and corporates, at large, who are proactive will transform these transition challenges into opportunities and thus benefit from the first mover advantage.

INTERNAL REGULATIONS

The first milestone in terms of E&S framework in the banking sector was the creation of The Equator Principles in 2003, a risk management framework, adopted by financial institutions, for determining, assessing, and managing environmental and social risk in project financing.

In recent years, the EU ESG regulatory framework has been significantly strengthened, especially in Europe. Some notable European legislation are as follows:

- Sustainable Finance Disclosure Regulation
- EU Taxonomy Regulation
- EU Green Bonds Regulation (EUGBR)

ESG REGULATIONS IN MAURITIUS

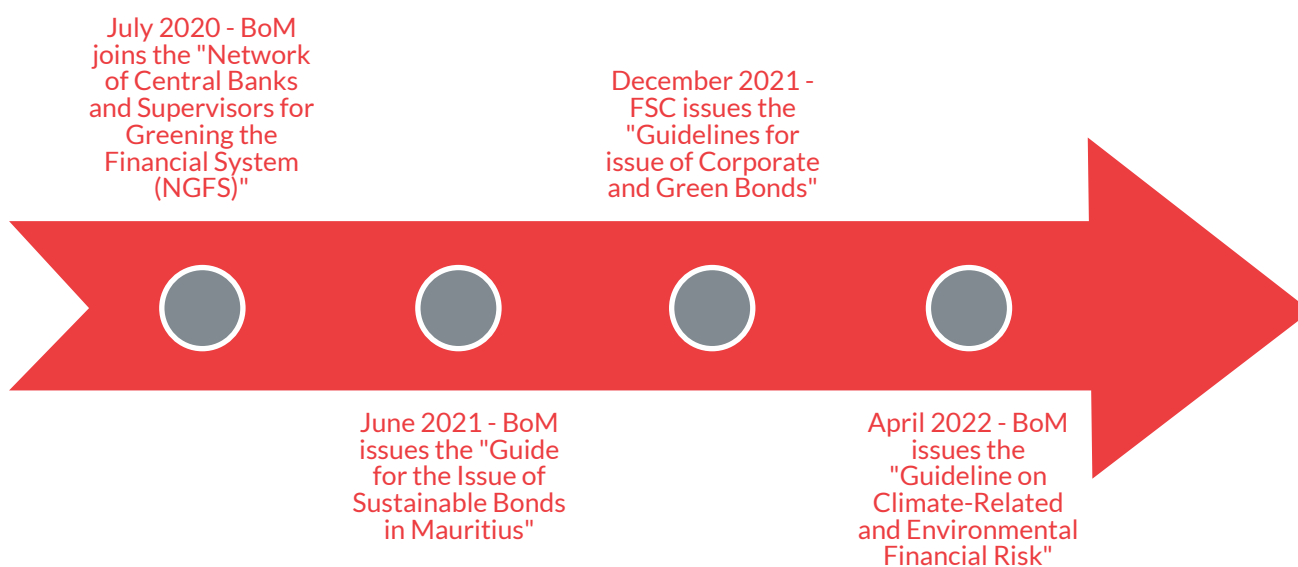


Figure 15: Key highlights of ESG landscape in Mauritius

With new "Guideline on Climate-Related and Environmental Financial Risk Management", financial institutions, will need to understand whether their strategies might be impacted by climate-related risks and opportunities, and how to re-align them to address these issues. Developing a climate-resilient strategy involves identifying the implications of scenarios, developing strategy options from the scenarios that enhance resiliency, and making strategic decisions. Disclosure is key - the desire of investors and other stakeholders is to understand how a company's management is positioning the company regarding potential climate-related risks and opportunities.



ESG FOR AFRASIA'S BUSINESS MODEL

Although we are at the beginning of our journey, we have adopted a diligent, holistic, and forward-looking approach in the way we tackle ESG matters. Our objective is to be a key driver of change as a solution provider which participates in the transition to a low-carbon and socially inclusive economy.

Approach to Environmental & Social risk

- Bank of Mauritius Guideline on Climate-Related and Environmental Financial Risk Management. The Bank of Mauritius Guideline on Climate-Related and Environmental Financial Risk Management came into effect on 1st April 2022 and the full implementation is expected by December 2023. We are currently working towards the implementation of the guideline, and we will be required annually to disclose, in our annual reports, information on the climate-related and environmental financial risks we are exposed to, as well as on the potential impact of those risks, and the approach to managing them.

Exclusion List

- Our Credit Policy contains a business exclusion list, based on the Rome consensus exclusion list and the AFD exclusion list, with prohibited and restricted lending to activities involving child/forced labor, trade in weapons or causing harm to critical habitat, amongst others.

Environmental and Social Management System (ESMS)

- We are currently working towards the implementation of our ESMS. The purpose of the E&S due diligence is to review any potential risks within the business activities of a potential client, and ensure that the transaction does not carry any environmental and/or social risks, which could present a potential liability to the Bank.

SEIZING OPPORTUNITIES

Financing the energy transition is particularly important for the emerging markets, and the capital markets have a key role to play in this. The COVID-19 crisis provided fresh impetus to the ESG and Net Zero agendas, which led to an acceleration in demand for sustainable finance to meet internal sustainability goals and bolster their recovery from the pandemic.

Sustainable finance is the integration of environmental, social and governance (ESG) considerations into investment and lending decisions. This includes examples where debt is issued, used and repaid with specific environmental and societal impacts in mind, but it also covers steps to respond to material ESG issues and integrate them into all 'mainstream' lending, financing and investment decisions.

Since 2019, AfrAsia Bank has been steadily developing its portfolio of tools to cater to the needs of our clients.

GREEN CAR LOAN

As one of the first sustainable product, the Green Car Loan was launched in October 2019. In the last quarter of the financial year, we have incorporated this offer under the SUNREF Program (subject to certain criteria being met).

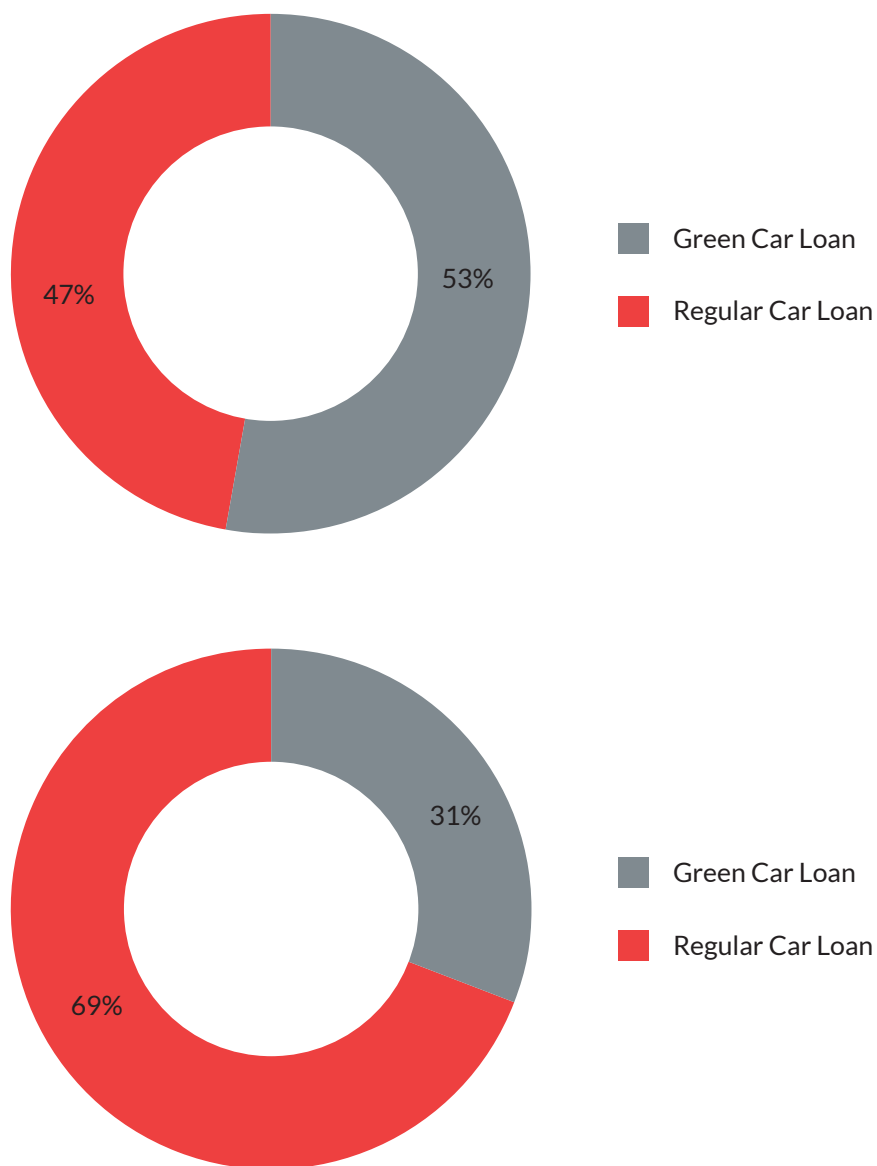


Figure 16: Snapshot of Green Car Loan performance in terms of amount disbursed

Way Forward:

The decrease in the amount of Green Car disbursed has been noted and discussions are currently underway to revamp our offering to better suit the needs of that market.



SUNREF PROGRAM

Another important milestone in the sustainable finance program of ABL is the SUNREF (Sustainable Use of Natural Resources and Energy Finance). This programme was set-up by the Agence française de développement (AFD) and European Union with the aim to enable companies to invest in equipment and innovative green technologies, thereby adopting business models that are more sustainable and environment-friendly, enhancing their energy security and resilience to climate change, while reducing their operating costs and environmental footprint. On August 2020, ABL entered this programmed through the signature of a Credit Facility Agreement for a green line of credit EUR 10M to finance eligible projects.

As from April 2022, AfrAsia now provides this Green Loan facilities to finance eligible SUNREF projects (Climate Change Mitigation Projects and Climate Change Adaptation Projects).

STRUCTURED PRODUCTS

In addition, to The iStoxx Global Cities of Tomorrow Select 30 NR Decrement 5%, the treasury department has provided another offering to their structured deposits based on Environmental, Social and Governance (ESG) criteria, The BlackRock ESG Multi-Asset Fund VT 8%.

Both products are available to our clients on an ad-hoc basis.

ENGAGING WITH STAKEHOLDERS

Another critical element of effective strategy development and execution is stakeholder engagement. Engaging with peers and regulatory bodies will be required for an effective implementation of the Bank's overall strategyn in regard to Sustainable Financing.

ETHICS AND COMPLIANCE

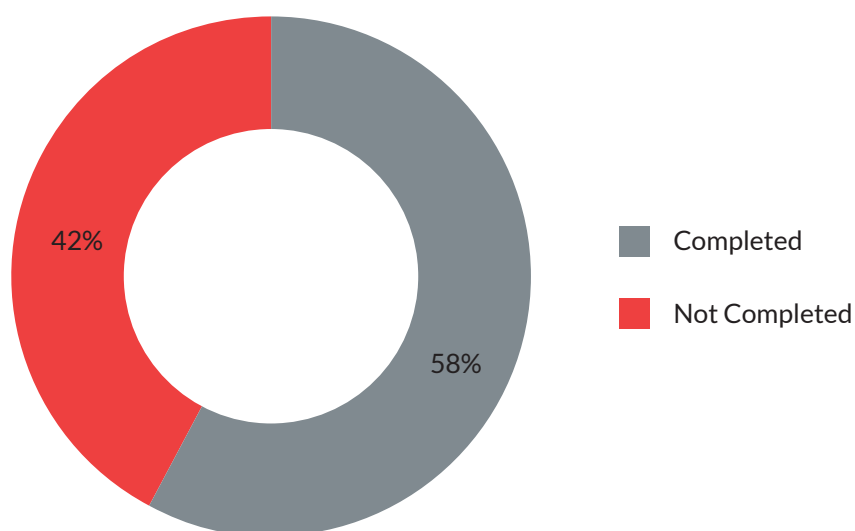


Figure 17: Participation rate in the Annual Operational Risk Awareness in June 2022

AfrAsia Bank is regulated by the Bank of Mauritius and the Financial Services Commission (Mauritius). ABL is committed to transparency and compliance with the laws and regulations that govern the Bank's various activities and strives to always achieve high ethical standards. As part of the Bank's Compliance Charter and AML Policy, AfrAsia has put in place a comprehensive Compliance and AML/CFT framework as well as relevant policies and procedures and internal controls in place. Various on-going initiatives ensure that the Bank is compliant at all time and these include (but are not limited to):

1. Ongoing review of Policies and Procedures.
2. AML/CFT Compliance Training is available on internal learning platform for all staffs.
3. Communication of updates and changes in laws and legislations to the Management Team and internal teams, as required, through emails.
4. Due diligence on all clients, partners and suppliers as per our AML Policy and Sourcing Policy.
5. Implementation of Corporate Integrity and Whistle Blowing policy to detect and report any irregularities.

MONEY LAUNDERING AND TERRORISM FINANCING

The Bank has revisited its approach towards Money laundering/Financing Terrorism Risk and has encapsulated AML Department under the Risk umbrella from a governance perspective. The AML Department identifies risks that the Bank faces, especially regarding the customer relationship. This is done when a new customer is onboarded through ongoing review of customers, and post transaction monitoring on key risk indicators.

Some of the measures in place are as follows:

1. AML Policy
2. AML/CFT Risk Appetite
3. Account Opening Procedures, Dormant (Inactive) & Abandoned Account procedure,
4. Exempt Framework, PEP Procedure,
5. Request for information,
6. Procedure for Attachment Orders, Risk Classification of Countries Procedure,
7. AML Operational Guide.

Weekly meetings are also conducted with relevant stakeholders from Sales and Compliance to discuss the updates regarding AML. This is done through a presentation whereby the current media articles which includes ML/FT are further discussed, including measures to be taken to mitigate future risks as applicable.

CYBERSECURITY POSTURE

As part of ABL's response to the evolving nature of cyber threats, the IT Security team has implemented a set of comprehensive policies for information security, cyber security and technology risks that protects the confidentiality, integrity and availability of information created, processed, transmitted, stored and disposed by the Bank. The policies and procedures are posted on the Bank's intranet, accessible to our employees at any time. Our IT Security team also adheres to well-known cybersecurity frameworks such as ISO 27001 and the National Institute of Standards and Technology (NIST) to develop a process of the management and governance of security and cyber resilience across five domains: Identify, Protect, Detect, Respond and Recover.



During the last financial year, IT Security has emphasized on the following:

1. Enhanced the existing Privilege Access Management platform for providing a more stable and compliant environment.
2. A Zero Trust Network Access solution has been implemented in order to provide insight into user behavior across the network and allow the Bank to use that information to control any malicious activity effectively.
3. Cybersecurity incident playbooks have been developed and their effectiveness assessed.
4. Conducted cybersecurity awareness trainings for ABL employees on common cybersecurity threats – How to identify phishing emails; Password Security; Social Engineering techniques; Data Classification and Insider Threats, amongst others. Three phishing simulation campaigns were launched whereby the phish-prone rate results decreased from 56% to 15%. This is a good indicator showing that ABL employees are more cautious on phishing attacks.
5. Replaced signature-based anti-virus software with advanced technologies such as Artificial Intelligence (AI) and Machine Learning (ML).
6. A web security gateway has been implemented to block malicious websites that can deliver malware or are part of phishing attacks.

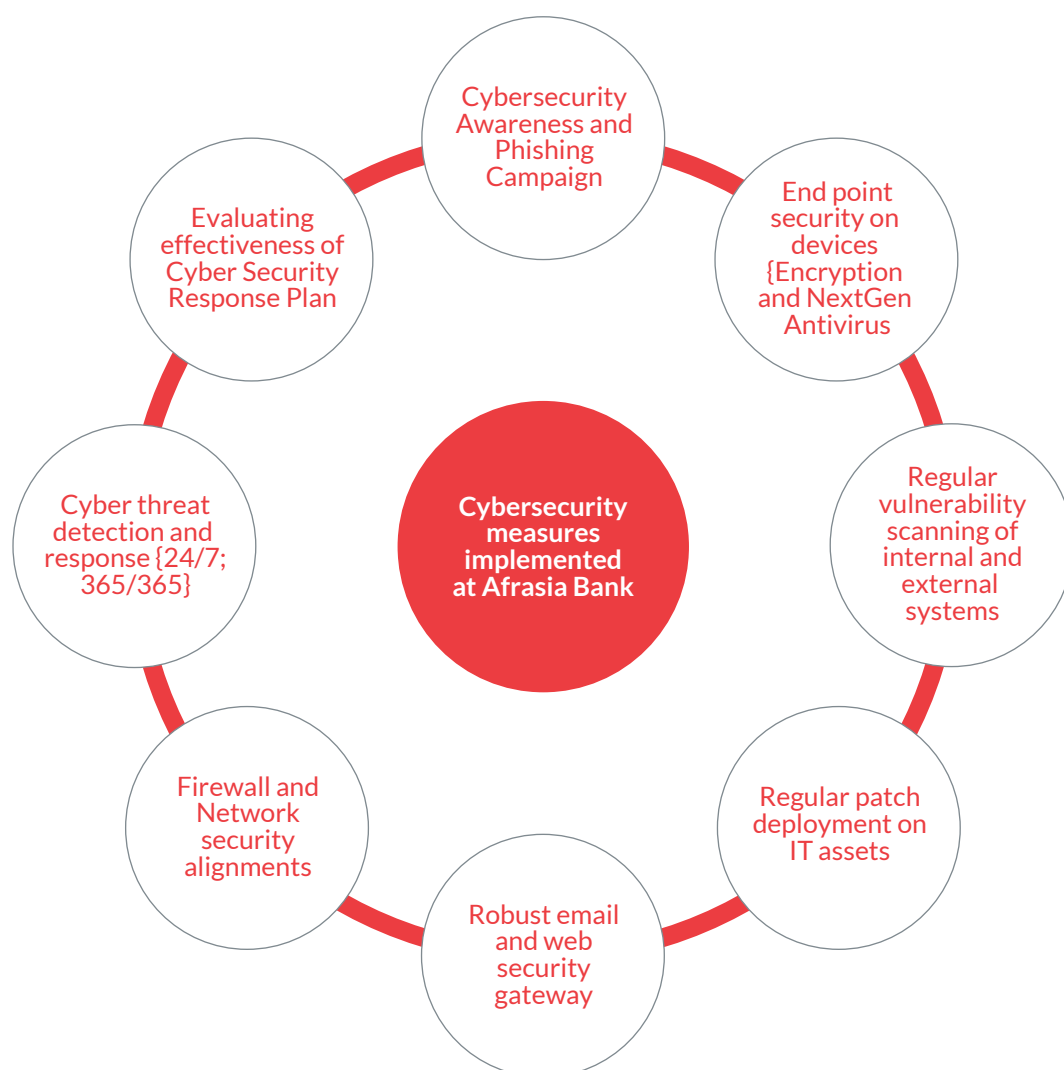


Figure 19: Overview of Cybersecurity measures already implemented at ABL

Monthly reports are shared with senior management providing statistics on security tools implemented, number of spams, cyber-attacks detected, and remedial actions that have been taken. Quarterly reports are also presented in the Technology, Digitization and Platforms (TDP) committee to provide board of directors an oversight on the cyber security posture of the Bank.

	JULY TO SEPTEMBER 2021	OCTOBER TO DECEMBER 2021	JANUARY TO MARCH 2022	APRIL TO JUNE 2022
Blocked Malware	477	681	811	536
Blocked Total Spam/Phishing emails	192,831	208,399	196,972	155,313
Unsafe Attachments Scanned and Blocked	36	2	14	25
Unsafe Url Clicks Scanned And Blocked	52	40	147	24

CUSTOMER EXPERIENCE

AfrAsia Bank's main aim is to be the reference Bank for Excellence in Customer Service and Customer Experience in the local market. In today's heavily tech-informed environment, the Bank believes that maximising the client experience is of crucial and utmost importance compared to what it was a decade ago. As routine banking functions is becoming commoditised, the focus on the coverage and advice acts as a key differentiator. The Bank is committed to putting the customer at the heart of our Banking Experience and ensuring that its services surface at pivotal moments in our customers' lives when they borrow, spend, save, invest, and protect. Every day, the team tries to get those key moments right and guide customers in the micro moments of their lives, so they are able to make the best financial decisions. AfrAsia drive excellence by instilling a service culture mindset amongst employees and by so doing, achieve service alignment across the business.

The Bank's main purpose is to continuously improve its level of service and product offerings as well sustain the experience offered to its valued customers. The Bank encourages a flexible approach when dealing with customers – and aspire to make them experience a service which is tailored to their needs and/or circumstances.

AfrAsia Bank's key focus is to provide personalised advice through a team of dedicated Private Bankers/Relationship Managers and subject experts. The ABL team has a specialised knowledge of the client, their business, industry, goals, history, etc. which provides an advantage in crafting solutions which best suit their needs. The Bank believes that keeping this humane touch in Banking will always remain a fad despite a rapidly evolving tech world.

As such, the CX Committee has been established in 2019 to continuously monitor and improve the experience of AfrAsia's customers when interacting with the Bank. With this committee, several internal pain points were analysed and subsequent remedial actions were implemented to solve issues which impacted the customers' journey.

CX CHARTER

A CX charter has been recently designed (in June 2021), and it sets out AfrAsia Bank's (the Bank's) procedures towards providing a seamless experience for its customers regardless of the service or department. This document provides the guidelines by which the employees interact with customers, use the right process, procedures and SLAs. This document helps every staff to be aligned with the outcomes, responsibilities and accountabilities when dealing with customers.



COMPLAINTS

AfrAsia's customers have the opportunity to easily escalate any complaint they may have or provide their feedback on the level of service and their banking experience. This allows the Bank to learn from its mistakes, analyse all pain points and subsequently work on enhancing the service delivery to avoid recurrence. Adopting this approach helps AfrAsia Bank to continuously improve and review its level of service. Customers can escalate their concern/complaint/feedback on the Bank's services, products, processes, systems and employees through the following channels:

Website - <https://www.afrasiabank.com/en/about/feedback>

In Writing

Write to us at the address below:

The Complaints Officer

AfrAsia Bank

4th floor NeXTeracom Tower III, Ebene

Fax: (230) 468 1655

Or through the complaint form, which is available online at

(<https://www.afrasiabank.com/media/3419/your-feedback-matters-2020.pdf>). The form filled in and dropped in our Complaints Box in our Ebene and Port Louis branches.

By Phone

Call the Complaints Officer on +230 (403 5500). Lines are open between 9.00 a.m and 5.30 p.m. every day except on week-ends and public holidays.

Online

Send us an email on complaints@afrasiabank.com and we will get back to you.

ENVIRONMENTAL RESPONSIBILITY

As part of its Environmental Responsibility pillar, AfrAsia Bank also looks at the management of its direct impacts on the Environment.

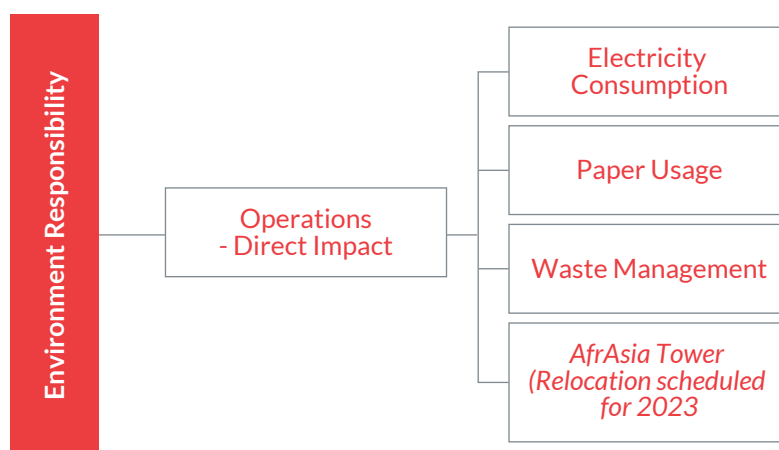


Figure 20: Overview of projects under the Environmental Responsibility

With relocation of the Bank's premises scheduled for December 2023 to the AfrAsia Tower in the Tribeca Central Smart City, AfrAsia is aiming to provide an innovative future workspace with a greater operational efficiency to its employees. The AfrAsia Tower will be an environmentally advanced, energy-efficient and sustainable workplace, with a LEED certification based on international sustainability standards, and therefore subject to a high degree of regulation for both the building under construction and a variety of appliances that have significant effect on energy efficiency.

The Bank is thus not contemplating to invest in its current premises, especially in energy efficiency projects. However, a monitoring system is on-going for electricity consumption, paper usage and e-waste and enhancements are being made when identified.

	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Electricity Consumption At Ebene Office (KWH)	554,776	548,867	496,114	468,033
Paper Usage (Reams)	4,281	3,865	2,692	2,379
Quantity Of E-Waste Recycled (KG)	285.64	57.5	226	0

A decrease in the electricity consumption was noted, mostly attributed to an increase in the number of people working from home as well as energy efficiency measures such as use of LED lights. Similarly, the amount of paper purchased have decreased partly due to fewer people in the office and the increasing use of digital tools.

In terms of E-Waste, there was no unused or outdated electronic waste at the Bank.



SOCIAL RESPONSIBILITY

As part of its Environmental Responsibility pillar, AfrAsia Bank also looks at the management of its direct impacts on the Environment.

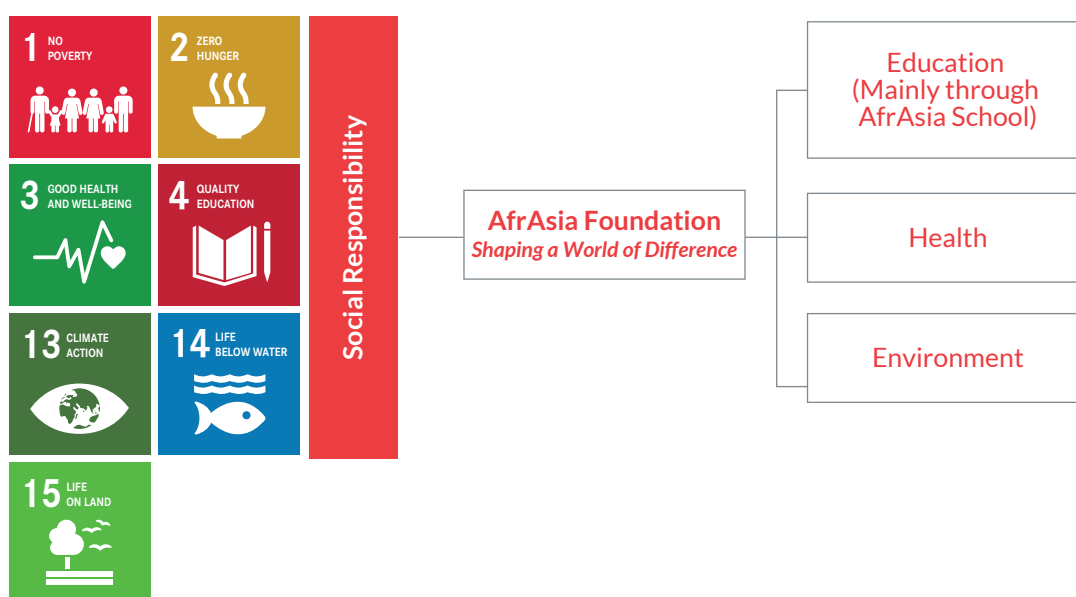


Figure 21: AfrAsia Foundation's 3 pillars

The Bank's social responsibility falls under the AfrAsia Foundation ("Foundation"), which acts as the social arm of the Bank. The Foundation funds sustainable projects that fall under its three main pillars namely: Education, Health and Environment. All decisions are taken by the governance body, i.e. the council of the Foundation.

In view of the 5 years since the launch of the Foundation, a 2025 roadmap has been up with the aim of reinforcing the engagement of the Bank towards the local community.

PILLAR 1: EDUCATION AFRASIA SCHOOL

The main project under the Education Pillar is the AfrAsia School, which is co-managed with the NGO Ti Rayons Soleil. The school was partly funded under the Decentralised Cooperation Programme of the European Union (DCP/EU) and is now in its 5th year of operation. Located in Curepipe, AfrAsia School offers a safe environment that provides free access to lifelong learning opportunities, including a pre-school and afterschool programme to vulnerable and underprivileged children. The teachers at the school use the National Curriculum and integrate holistic teaching methods based on Montessori methodology to teach the young children.

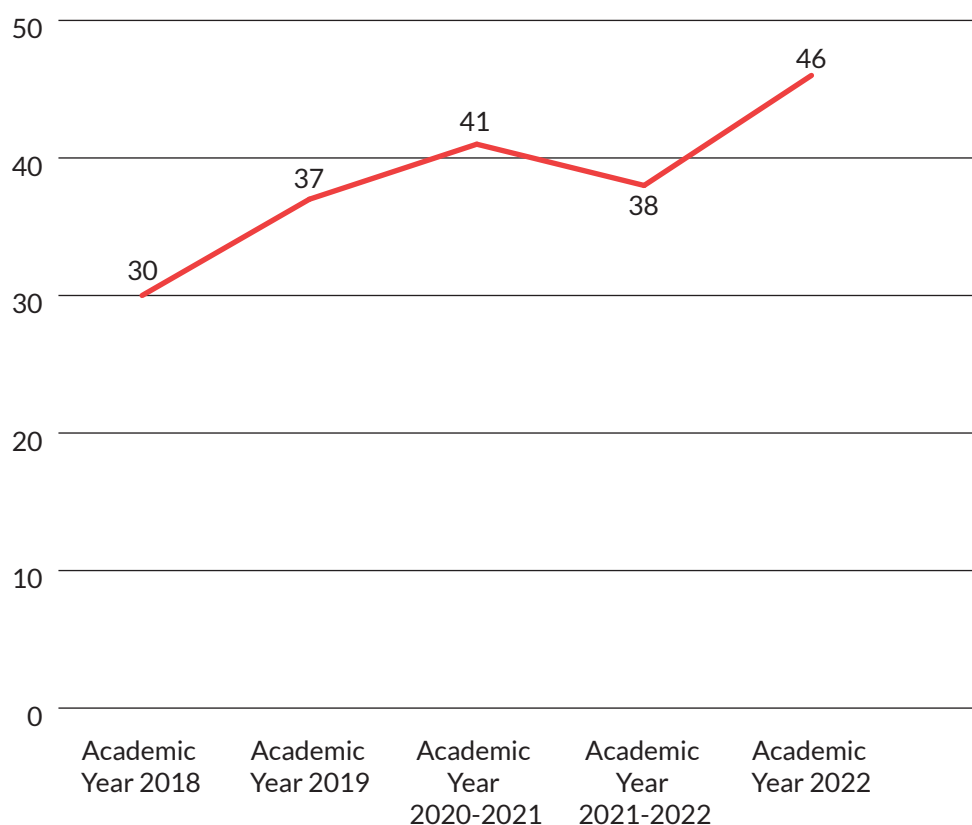


Figure 22: Number of children enrolled at AfrAsia School per academic year

This year again, the school calendar was marked by the COVID-19 pandemic and school closure. However, the attendance rates of the students were closely monitored and averaged at 84% for the year.

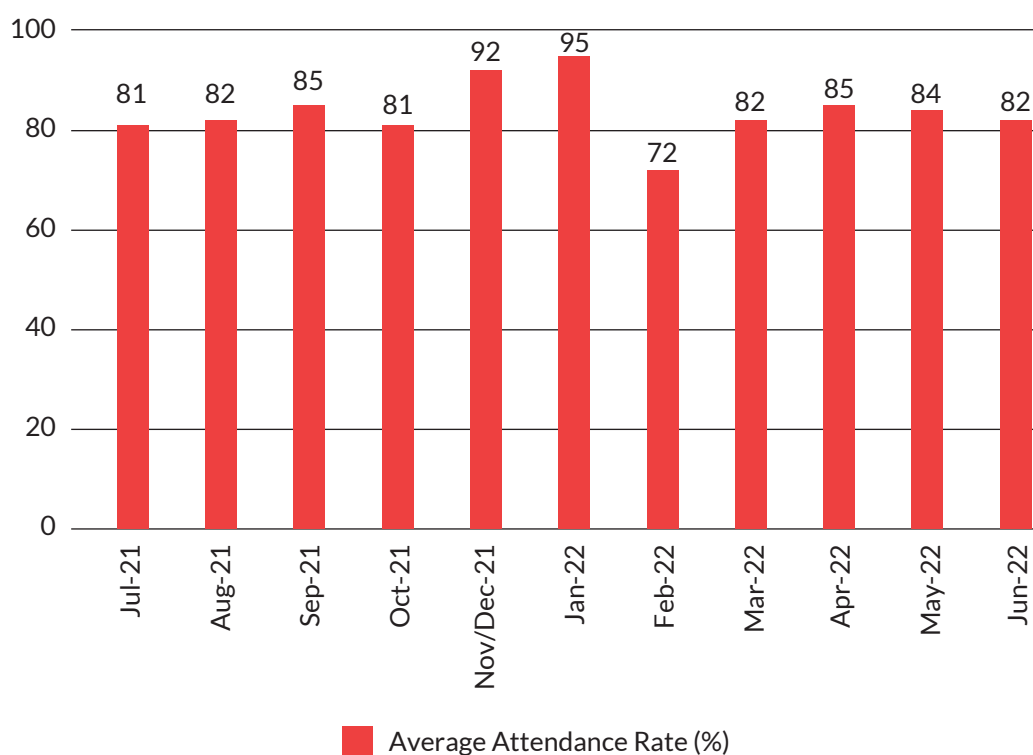


Figure 23: Average attendance rate for academic year 2021 – 2022

WISHTREE INITIATIVE

Every year for Christmas, the Foundation launches the Wish Tree Initiative whereby the generosity of our staff and occasionally our clients are solicited to make the wish of an AfrAsiaKid come true. The wish tree is usually celebrated at AfrAsia school. However, due to the Covid-19 restrictions, the Foundation did not host a Christmas party in December 2021 but instead a Santa Delivery Day was held. Gifts along with a special Christmas food voucher, were distributed at the kids' doorsteps.



COVID-19 EFFECTS ON AFRASIA SCHOOL

Home-schooling adventures

In November 2021, a surge of new COVID-19 cases arose in Mauritius and prompting the Ministry of Education, Tertiary Education, Science and Technology to close all educational establishments on the 10.11.2021. The Home-Schooling program was reactivated to firstly stay connected with the beneficiaries and ensure that they are keeping well. Secondly, to ensure the continuity the school program and as well as monitor their progress.

Additional Classroom

There were no graduates recorded at AfrAsia School for the year 2021-2022 as the Ministry of Education, Tertiary Education, Science and Technology extended the academic year from April to November 2022. In the view of the changes in the school calendar, a temporary additional class has been created to accommodate kids of Grande Section Level 2 during the fixed period of May 2022 to November 2022. The aim was to introduce new classwork exercises to strengthen their educational foundation for them to be ready for their admission into primary school in 2023.

Events at AfrAsia school post covid-19

After 2 years of sanitary restrictions and lockdown period, AfrAsia kids had the opportunity to celebrate the Independence Day, Easter and Music day at school for the year 2022.

The graduates of the pre-primary programme of the AfrAsia School automatically enter the Afterschool programme, whereby dedicated teachers ensure that they are adapting well to their new school environment while providing them support for their homework. Any difficulties faced are tackled by a close collaboration between the AfrAsia School's teachers, their current teachers and their responsible parties. Special activities are practiced based on the Montessori and other holistic approaches in accordance with the pre-primary teaching methodologies. This programme is expected to run until the children reach the secondary grades. The parents are also encouraged to come for appointments, participate in their kids' homework and the school life through the Parent Empowerment support programme.

AFRASIA GOLF ACADEMY

The AfrAsia Golf Academy is back since May 2022 after being on hold for almost two years due to the pandemic.

PILLAR 2: HEALTH AFRASIAKIDS' HEALTH

A certified psychologist, speech therapist, and nurse routinely visit the AfrAsiaKids in view of tracking their physical and cognitive development and identify any alarming factors at the appropriate moment. Updates and reports are provided on a quarterly basis including the Body Mass Index (BMI) of the children as per below:

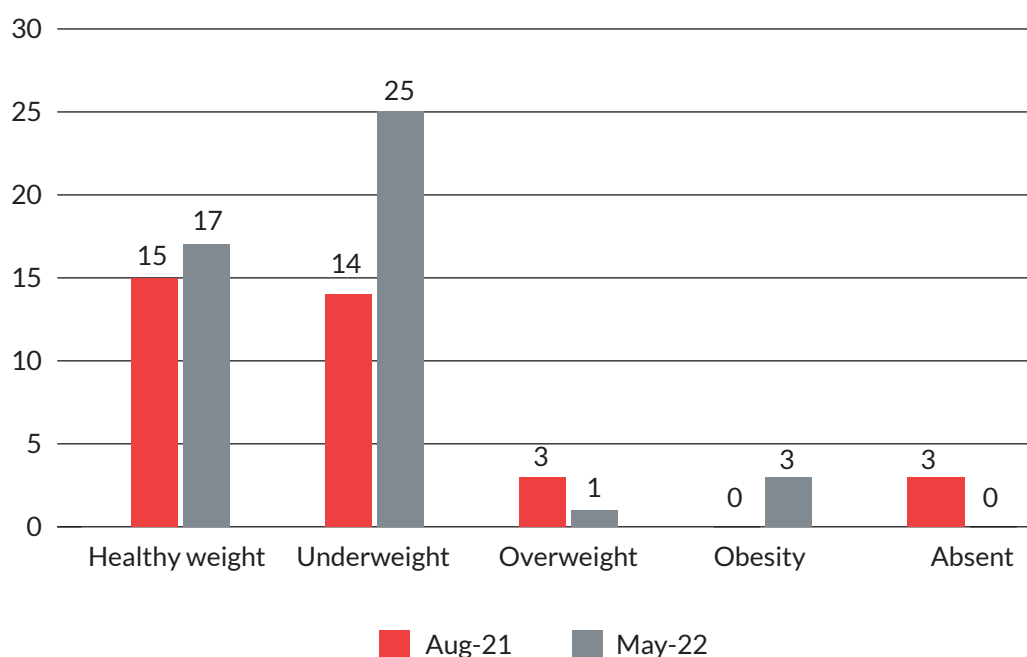


Figure 22: BMI comparisons of AfrAsia Kids (%) August 2021 vs May 2022

A comparison of the BMI of the AfrAsia kids made in August 2021 and May 2022 actually showed an increase in the percentage of kids falling under the underweight and obesity. It was observed that the number of healthy weights is rising due to regular, healthy, nutritious, and balanced meals provided by AfrAsia School.



Since May 2022 a new batch of 8 beneficiaries joined AfrAsia school, and as all of them were underweight, it generated a rise in the number of underweight children. Each underweight child is closely monitored by the nurse and school staff by ensuring that they are provided with healthy balanced meals (at school and their home) for them to align to a growth chart standard.

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EMERGENCY AID SUPPORT PROGRAMME IN RESPONSE TO COVID-19

In 2020, The AfrAsia Foundation established an Emergency Aid Support Programme to assist the AfrAsiakids and other families island wide living in vulnerable circumstances during the first national lockdown of the COVID-19 pandemic (March to June 2020). After evaluating the aftermath of the pandemic, the Foundation and Ti Rayons Soleil identified the need to transform this support in a food bank to consistently supply food to families on a case to case basis.

CANCER AWARENESS AND SUPPORT TO LINK TO LIFE

This year, AfrAsia Foundation continued providing its support to link to life to raise awareness around the various forms of cancer.

The initiatives under the health pillar were:

1. Purchase of a new sonoscape –

In November 2021, the Foundation sponsored the new portable ultrasound screening machine (Sonoscape E2) that was down after 7 years of use.

2. Screening campaign-

The screening campaign is a yearly initiative organized by link to life with the support of the Foundation to detect and anticipate early signs of cancer and to raise awareness on its causes and effects. Link to life has been able to conduct approximately 2000 screening since the Philips scanning machine was donated in 2017 and 201 screening from July 2021 to June 2022. 901 screenings were done with the portable scanning machine donated in 2021.

3. Life after mastectomy-

This initiative was launched to commemorate the World Cancer Day 2021 and which aims at providing tailor-made breast prosthesis and psychological support to cancer survivors throughout their post-surgery rehabilitation period.

4. Bras for a cause-

To symbolize the Breast Cancer Awareness Month in October, AfrAsia Foundation launched the bras for a cause initiative, where staffs were encouraged to donate a bra to link to life which would be converted into a mastectomy one to support breast cancer survivors. This initiative was also an occasion to raise awareness on the importance of regular screening in the early detection of breast cancer.

PILLAR 3: ENVIRONMENT

The main collaboration and initiatives under the Environmental Pillar related to the MV Wakashio Oil Spill in 2020:

1. Mahebourg Espoir Educational Center

Together with Round Table Mauritius, the Foundation joined forces to donate above MUR 1M to Mahebourg Espoir Educational Center. These funds were allocated over a period of 12 months and distributed in the form of vouchers to the beneficiaries of Mahebourg Espoir Educational Center, who were directly affected by the oil spill caused by the MV Wakashio.

This initiative successfully contributed to:

- Help 29 families representing 140 individuals
- Provide monthly subsidy in the form of vouchers for specific food, hygiene, & household necessities
- Distribute a special Christmas food pack in December
- Give school uniforms and shoes to several children

2. SOS Mangrove Programme

In Mauritius, mangroves are a significant ecosystem that are covered by 181 ha and are officially protected. The SOS mangrove initiative was established in August 2020 in order to carry out baseline studies, educate communities and participate in mangrove restoration in Mauritius. The SOS Mangrove Programme is a collaboration with the NGO Reef Conservation and the Foundation donated around MUR 1.3M to fund the various activities and scientific materials required for the long-term monitoring and educational program with the aim to restore mangrove forest around Mauritius.

Some achievements made through the collaboration:

- 12 Mangrove visual surveys at 15 sites were completed from August 2020 to June 2022 along the South East Coast of Mauritius
- 24 Permanent plots were setup at 3 baseline sites, Domaine les paletuviers, Melville barachois & Ferney
- One Mangrove project banner, 500 mangrove booklets were developed, a poster and video on mangrove forests are currently under development
- More than a thousand community members reached through Bis lamer & eco-school sessions around Mauritius

STAFF ENGAGEMENT

AfrAsia Foundation has always believed in reinforcing the link between AfrAsians and the community. Every year, various initiatives are organized by the Foundation to promote staff engagement and involvement in various CSR activities. The number of events were limited due to the restrictions and Covid-19.

Last year, AfrAsians have participated in various programmes including:

1. **Wish tree initiative** – A Santa Delivery Day was held where Gifts were distributed directly at the doorstep of each AfrAsia kids due to sanitary restrictions.
2. **Sponsor an AfrAsia Kid Programme** – Donating to fund the expenses of one AfrAsiaKid annually (included in the donation cost are food, transport, school materials, school uniforms, children's insurance, teachers' fees and other expenses). The Foundation matches the donation amount made under this programme.



ANNEX: GRI INDEX

GRI CONTENT INDEX

Statement of use	AfrAsia Bank Limited has reported the information cited in this GRI content index for the period 01 July 2021 to 30 June 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	AR pg 52, 109 Location of Headquarters SR pg 7 Countries of operation SR pg 7
	2-2 Entities included in the organization's sustainability reporting	SR pg 6
	2-3 Reporting period, frequency and contact point	SR pg 6
	2-4 Restatements of information	None
	2-5 External assurance No external assurance sought	No external assurance sought
	2-6 Activities, value chain and other business relationships	AR pg 11-18 AR pg 112 - 115
	2-7 Employees	SR pg 14-15
	2-9 Governance structure and composition	AR pg 74 AR pg 60-61
	2-10 Nomination and selection of the highest governance body	AR pg89
	2-11 Chair of the highest governance body	AR pg 62
	2-15 Conflicts of interest	AR pg 94
	2-16 Communication of critical concerns	AR pg 98 SR pg 19
	2-18 Evaluation of the performance of the highest governance body	AR pg 91
	2-19 Remuneration policies	AR pg 92-94
	2-20 Process to determine remuneration	AR pg 93
	2-22 Statement on sustainable	SR pg 7-8
	2-26 Mechanisms for seeking advice and raising concerns	AR pg 98 SR pg 19

GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	We comply with all relevant laws and legislations
	2-28 Membership associations	SR pg 4
	2-29 Approach to stakeholder engagement	AR pg 109 - 115
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	AR - pg 170 - 173
	201-3 Defined benefit plan obligations and other retirement plans	AR - pg 197, 198, 206
GRI 205: Anticorruption 2016	205-2 Communication and training about anti-corruption policies and procedure	SR pg 26
GRI 302: Energy 2016	302-1 Energy consumption within the organization	SR pg 30
	302-4 Reduction of energy consumption	SR pg 30
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Information partially available SR pg 30
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SR pg 16-17
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR pg 15
	401-3 Parental leave	As per legal requirements
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	SR pg 20
	403-2 Hazard identification, risk assessment, and incident investigation	SR pg 20
	403-4 Worker participation, consultation, and communication on occupational health and safety	SR pg 20
	403-5 Worker training on occupational health and safety	SR pg 20
	403-6 Promotion of worker health	SR pg 20
	403-8 Workers covered by an occupational health and safety management system	SR pg 20
	403-9 Work-related injuries	SR pg 20
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	SR pg 18
	404-2 Programs for upgrading employee skills and transition assistance programs	SR pg 18
	404-3 Percentage of employees receiving regular performance and career development reviews	SR pg 18
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	AR pg 61 SR pg 14-16





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