

# CORPORATE GOVERNANCE REPORT

## PRINCIPLE SIX – REPORTING WITH INTEGRITY

### FINANCIAL

The Directors are responsible for preparing the financial statements in accordance with International Financial Reporting Standards, International Accounting Standards and The Companies Act 2001 of Mauritius. The Directors must ensure that the provisions of The Companies Act 2001 of Mauritius, The Banking Act 2004 (amended 12 August 2021) and Financial

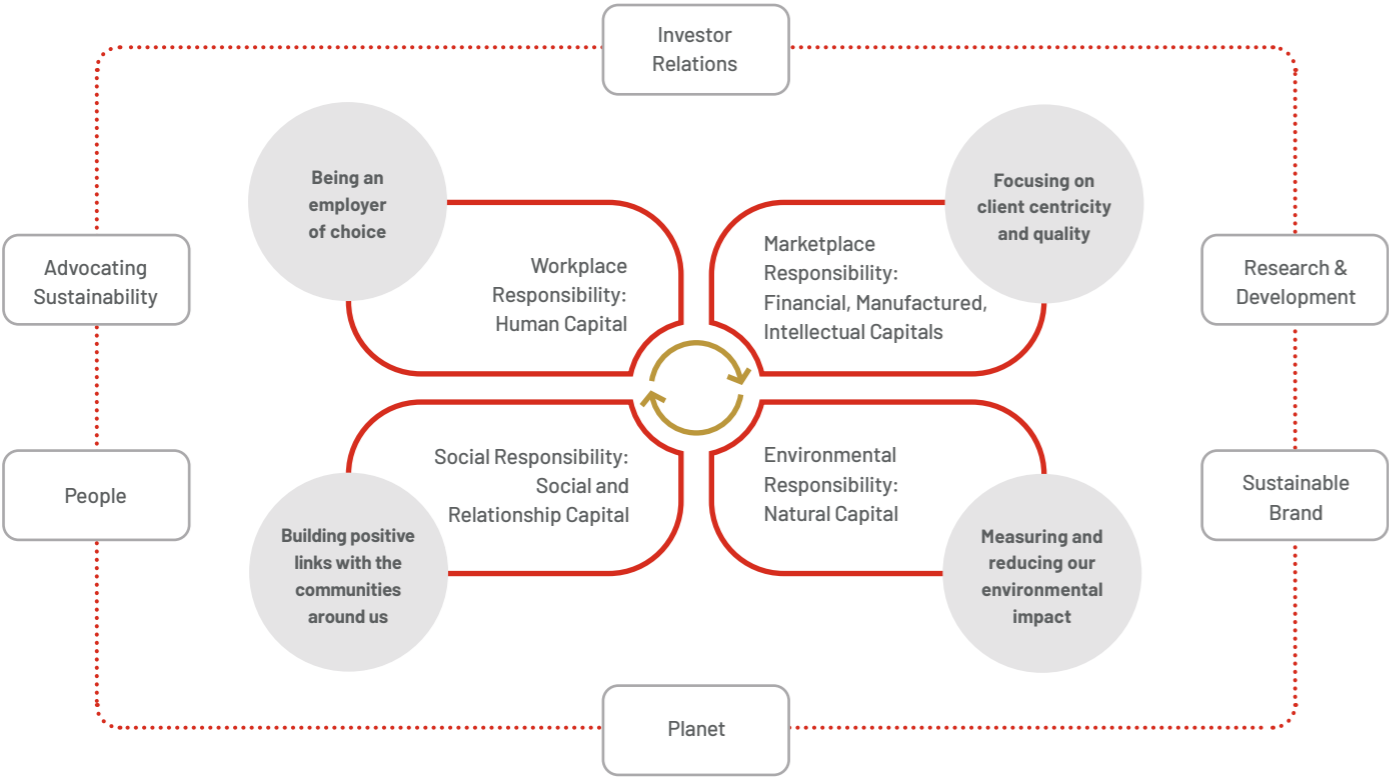
Reporting Act 2004 (amended 2020) are complied with. They must also ensure that the financial statements are free from errors, material misstatements or irregularities and that any non-adherence is disclosed, explained and quantified.

### SUSTAINABILITY

The COVID-19 has offered an unprecedented opportunity for companies to move towards the integration of environmental, social and governance ("ESG") in their management system. There is a global increase in awareness in regards to ESG and operational resilience amongst the private sector community. We, at AfrAsia Bank, have also taken this commitment to work on a 2030 Sustainability Strategy to contribute to a net zero carbon economy.

Looking back on the financial year 2020-2021, which has been disrupted by this crisis, we have to admit that many of the departmental projects had to be either postponed or adapted to the 'new' normal. For the third consecutive year, we have provided a separate sustainability report which details the Bank's performance in each of its 4 pillars based on the Global Reporting Initiative ("GRI") standards.

#### AfrAsia Bank's 2021 sustainability strategy:



Furthermore, for the third-year consecutive, we are a proud member of the GRI community and participate regularly in dialogues and webinars to advance sustainability reporting standards.

The year 2021 has also brought new changes to the Sustainability and CSR department with a new Head joining the team. A new sustainability strategy is currently being developed and will be announced in the beginning of next year.

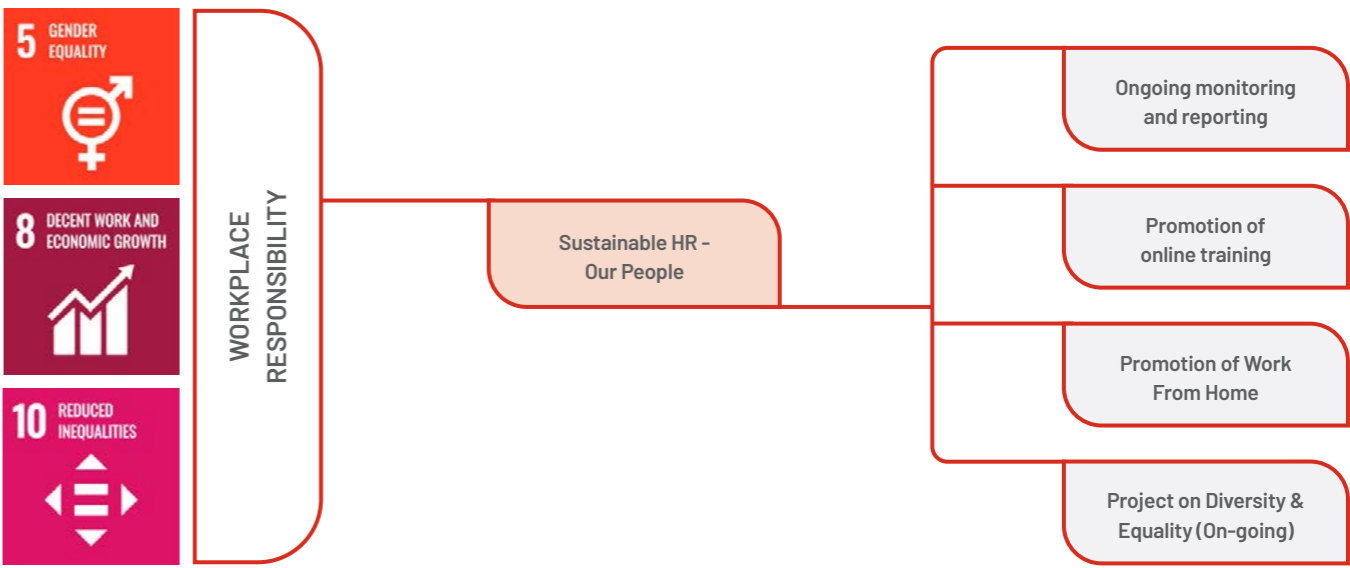
# CORPORATE GOVERNANCE REPORT

## SUSTAINABILITY (Cont'd)

### WORKPLACE RESPONSIBILITY

Several projects are currently in progress under the aegis of the Human Resources ("HR") department. With the COVID pandemic impacting our operations and day to day work, our main concerns were job retention and on-going training of our staff.

#### Overview of HR projects:



	FY 17 - 18	FY 18 - 19	FY 19 - 20	FY 20 - 21
Total Headcount	368	402	413	415
Average Hours Of Training	18	39	19.5	10.8
Average Hours Of Training (Male)	19	46	18.36	10.7
Average Hours Of Training (Female)	18	32	20.7	11
Turnover Rate (Full Time Employees)	9.48%	8.97%	11.1%	6.7%

Table 1: Snapshot of key performance indicators for workplace responsibility throughout the last 4 years

We strive to create a safe, inclusive and discrimination-free environment for all our staff through the various projects under the HR department and through the Health & Safety Committee.

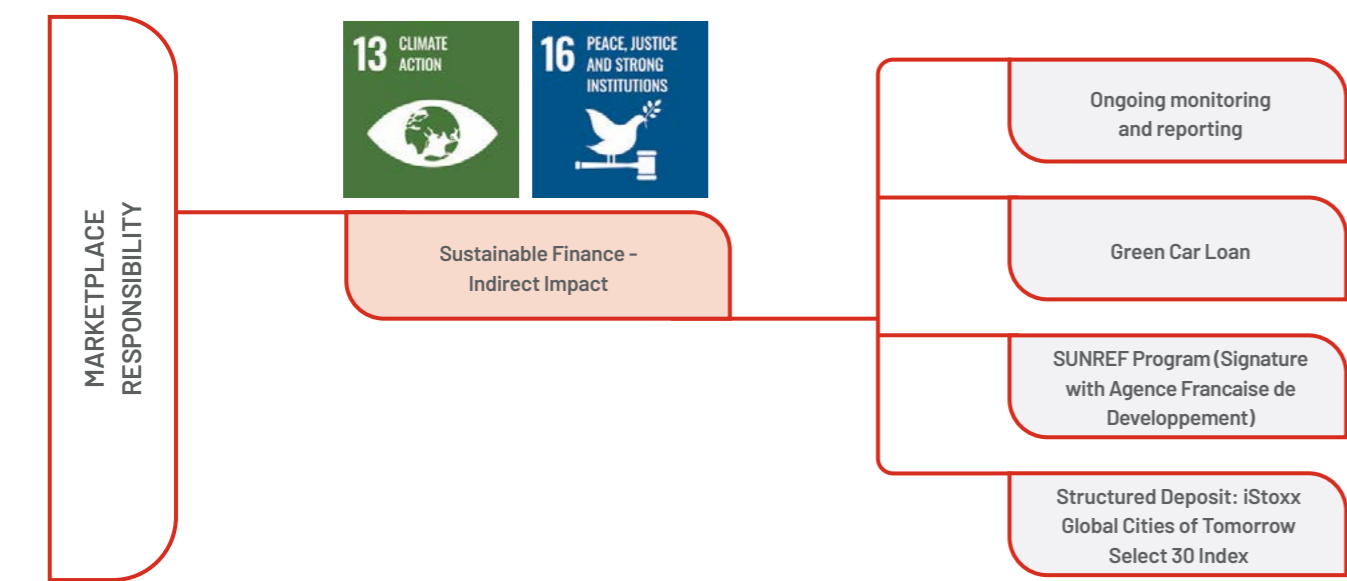
# CORPORATE GOVERNANCE REPORT

## SUSTAINABILITY (Cont'd)

### MARKETPLACE RESPONSIBILITY

As a Bank, one of our major impact is through our financing. We have been steadily developing this pillar to provide our clients with sustainable financial products across the different business lines.

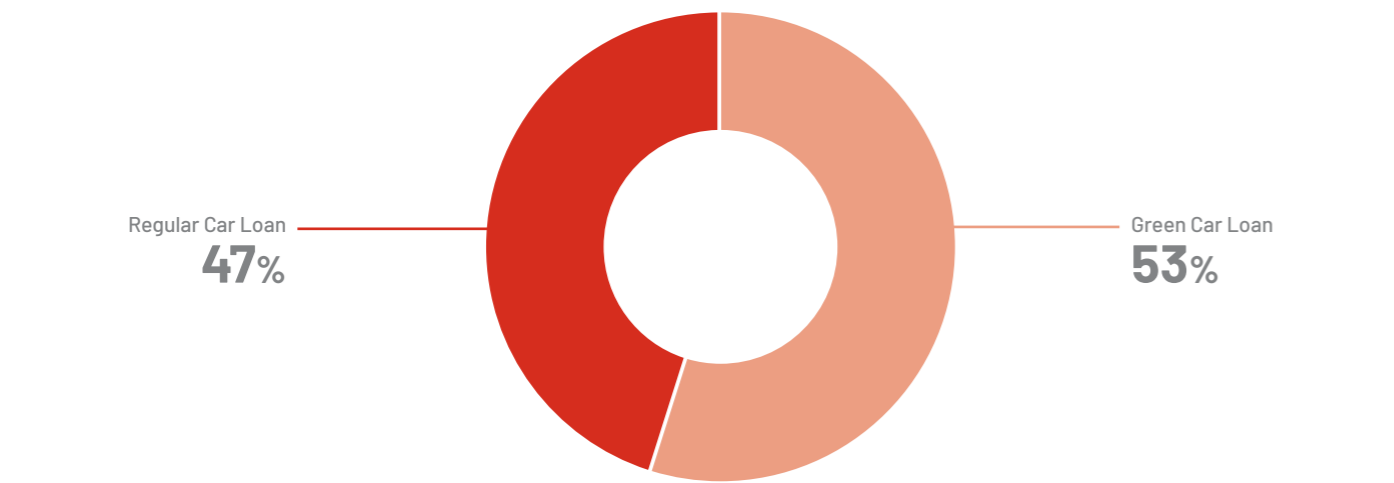
#### Overview of Sustainable Financing:



The financial year 2020-2021 has been critical for the development of sustainable financing at ABL. With the Bank joining the SUNREF program and the ongoing implementation of Environmental and Social

Management System ("ESMS"), we are looking to transform our entire credit portfolio. The treasury team has also started offering structured deposits based on sustainable criteria.

#### Snapshot of Green Car Loan Performance from July 2020 to June 2021:



As part of our Marketplace Responsibility Strategy, we also strictly adhere to all legal and statutory requirements (including in regards to prevention

of money laundering and financing of terrorism activities) and protect our client's data through stringent measures in place to prevent any breaches.

# CORPORATE GOVERNANCE REPORT

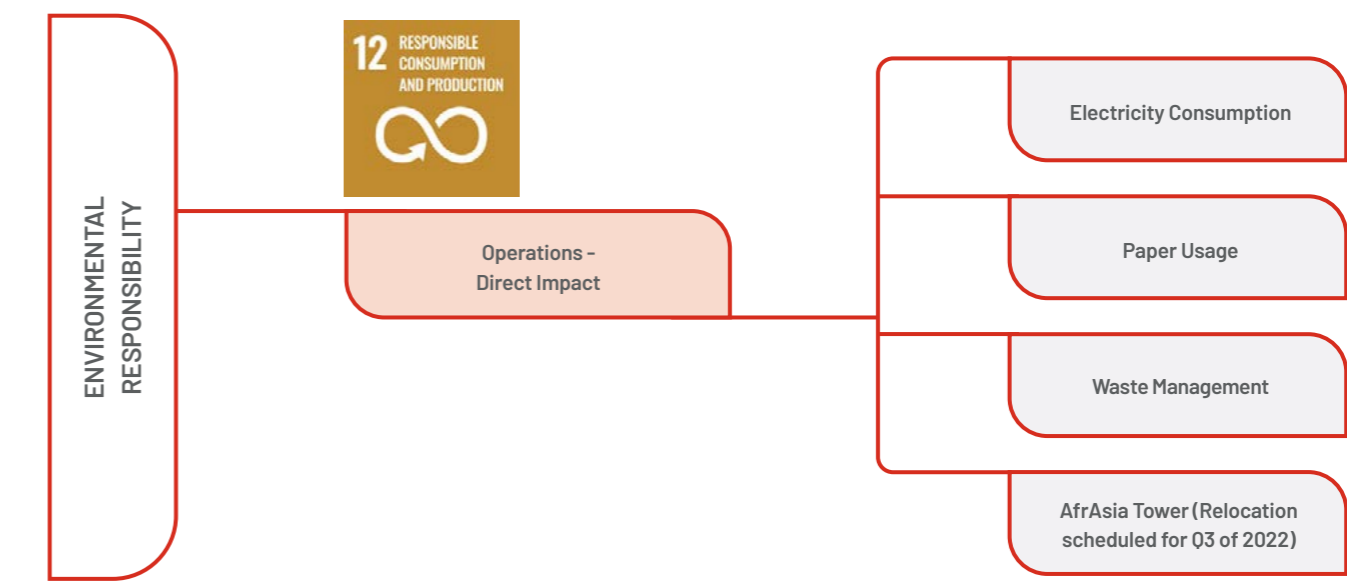
## SUSTAINABILITY (Cont'd)

### ENVIRONMENTAL RESPONSIBILITY

Aside from our credit portfolio, we are also looking into the management of our direct impact. With relocation of our premises scheduled for Q3 2022 to the AfrAsia Tower in the Tribeca Central Smart City, the Bank is aiming to provide an innovative future workspace as well as a greater operational 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. Until then, we will continue to monitor our electricity consumption and paper usage.

#### Overview of projects under Environmental Responsibility:



Snapshot of key performance indicators for workplace responsibility throughout the last 4 years

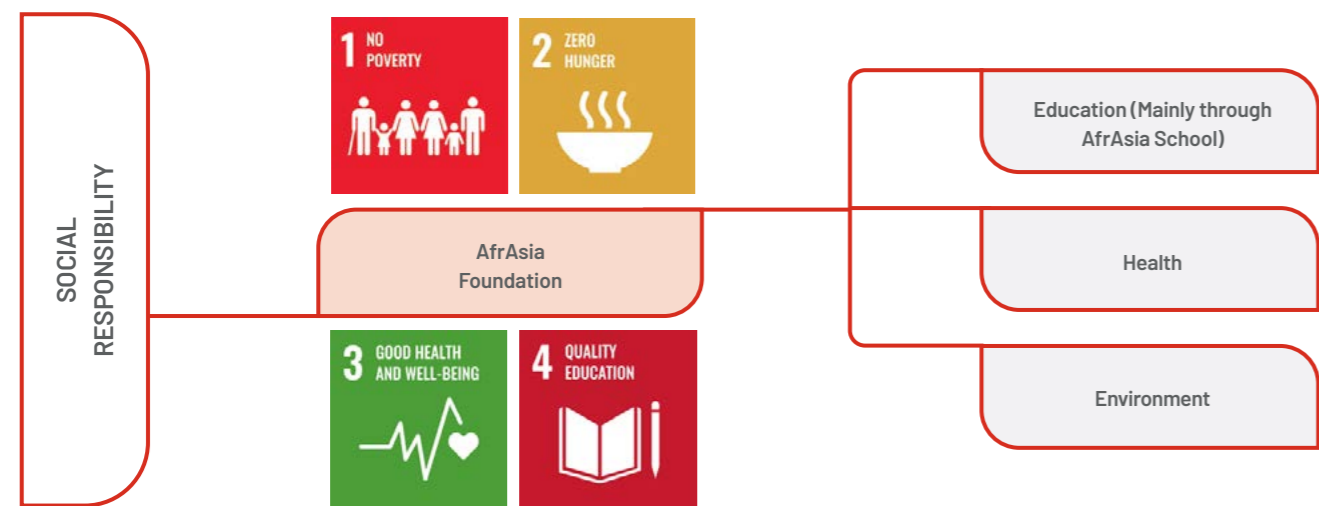
	FY 17 - 18	FY 18 - 19	FY 19 - 20	FY 20 - 21
Electricity Consumption At Ebene Office (KWH)	N/A	554,776	548,867	496,114
Paper Usage (Reams)	4,432	4,281	3,865	2,692
Quantity Of E-Waste Recycled (KG)	N/A	286	58	226

# CORPORATE GOVERNANCE REPORT

## SUSTAINABILITY (Cont'd)

### SOCIAL RESPONSIBILITY

#### Overview of Social Responsibility at AfrAsia Bank:



ABL's social strategy is mainly managed through the AfrAsia Foundation, which is governed by a council, who is responsible for management of the funds. The accounts of the Foundation are also audited annually by an external auditor.

#### Overview of Projects by AfrAsia Foundation:

#### Education

- AfrAsia School
  - Emergency Aid Support Programme (COVID-19)
  - Sponsor an AfrAsia Kid
  - Wish Tree
- AfrAsia Golf Academy (On hold due to the pandemic)

#### Health

- Cancer Awareness
  - Support to Link to Life projects
- Ripple Project
- Bring back a Smile Initiative (Distribution of special masks to hearing impaired children)

#### Environment

- The Wakashio Initiatives
  - Phase 1 - Immediate actions and support
  - Phase 2: Donation to Mahebourg Espoir beneficiaries
  - Phase 3: In progress

# CORPORATE GOVERNANCE REPORT

## SUSTAINABILITY (Cont'd)

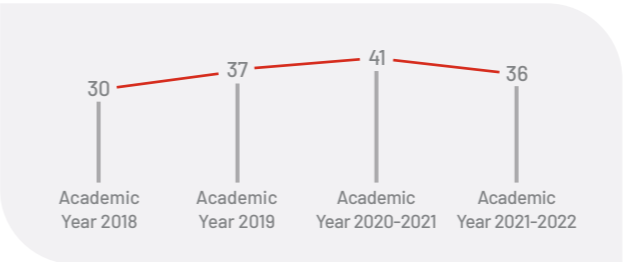
### SOCIAL RESPONSIBILITY (Cont'd)

#### Overview of AfrAsia School:

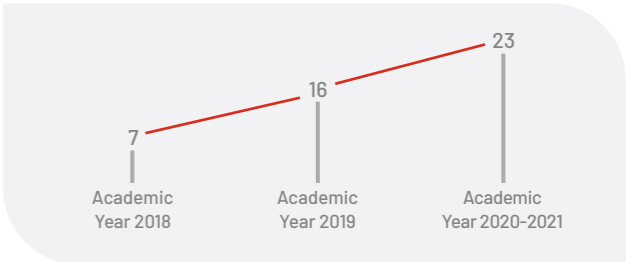
The main project of the Foundation is AfrAsia School – Life Long Education Centre, in collaboration with the Non-Governmental Organisation ("NGO"), Ti Rayons Soleil. In addition to free primary education, the beneficiaries also receive support from a social worker for their families, food support system, after school care as well medical and psychological supports. The COVID-19 pandemic largely disrupted the running of the pre-primary school and other programs. An Emergency Aid Support Programme was set up in March 2021 to provide food and basic necessities to our beneficiaries.



#### Number of children enrolled at AfrAsia School per academic year:



#### Number of graduates at AfrAsia School per academic year:



An overall decrease in number of children enrolled at AfrAsia School for the Early Childhood programme has been noted due to the following reasons:

- One special needs child (aged 5+ years) graduated and moved to a specialised Primary school in January 2021;
- One child has relocated to Souillac village; and

- 4 children graduated and moved to Grade 1 of primary school. They did not complete their full pre-primary year following the change in the school calendar (June 2021 instead of January 2021).

#### SDG 17: PARTNERSHIPS FOR THE GOALS

One of our key commitments is to create meaningful dialogues around sustainability in the local, regional and international communities. We do that through the following means:

- Membership of the United Nations Global Compact ("UNGC");
- GRI Community membership;
- ABL is a founder and council member of the Global Compact Network for the Indian Ocean;
- Launch of Sustainability themed webinars: Digitalisation, ESG; and
- Members of the Business Mauritius ("BM") Sustainability Network.

For further details on the outlook of AfrAsia Bank through the sustainability lenses, the full report is published on the Bank's website:

<https://www.afrasiabank.com/en/about/investors/sustainability-reports>.



The Annual Report is published in full on the Bank's website.

<https://www.afrasiabank.com/en/about/investors/annual-reports>



The financial statements are set out in Section B of the Annual Report.

