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SUSTAINABILITY REPORT

Financial year 2020 – 2021

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INTERIM CHIEF EXECUTIVE OFFICER'S MESSAGE

Dear Readers,

The year 2020-2021 has marked history... not just because of the global pandemic but it has also been a stark reminder of how fragile our lives and our planets are. Alongside the many challenges that COVID-19 has bequeathed us, it has also sharpened the focus on the need to think long-term and adopt sustainability as a way of life, rather than a mere option. As the world continues to navigate through the pandemic, I am grateful to our AfrAsians, our customers and our shareholders for their unwavering support and trust in AfrAsia over the past year. Whilst our primary focus remained the safety and health of our employees and customers, we anchored our success on our four pillars: customer-centricity, teamwork, innovation and sustainability. The latter has been our guiding light in setting our recovery path, all the way to our future growth strategy.

Shaping a World of Difference

Since 2007, we have been embracing our responsibility towards our community and, in 2016 we incepted our AfrAsia Foundation on the premise of "Shaping a World of Difference" through a three-pronged strategic approach: education, health and environment. Whilst our AfrAsia School offers life-long learning opportunities to the underprivileged children of our society, we aspire to adopt a more preventive stance in environmental protection and cancer awareness through our other two pillars. Last year's unprecedented oil spill has helped us reinforce our engagement towards our community by raising more than MUR 1m to help the aggrieved ones. Moreover, year-on-year, our teams have also adopted the international Global Reporting Initiative (GRI) standards to create awareness around the Sustainable Development Goals (SDGs) and report on pertinent key performance indicators for our social and environmental performance.

Stakeholder Engagement

As part of our stakeholder engagement process, we have implemented various initiatives to promote and participate in dialogues around the Sustainable Development Goals and Sustainability in the private sector. As one of the founder members of the Global Compact Network for the Indian Ocean, we continue to adhere by our commitment in driving multi-stakeholder dialogue to promote sustainability best practices and develop solutions for different sectors in the region. Due to the ongoing sanitary crisis, we had to postpone the third edition of our AfrAsia Bank Sustainability Summit, but we aspired to keep the sustainability dialogue an ongoing one through webinars and 'networking events' aimed at keeping the close-knitted ties amongst sustainability peers locally and internationally.

Embarking our clients on our sustainability journey

In an ever-changing world, where sustainability has moved from the sideline to the forefront, investing is no longer about making a profit only. Increasingly, we aspire to complement our obligations towards our shareholders with our obligations towards our planet by crafting green financing solutions that leave a positive imprint on the world - a belief that has fuelled the popularity of ESG Principles. Underscoring our drive to embark our clients on our sustainability journey, AfrAsia Bank was granted a green line of

funding of EUR 10m through the SUNREF programme launched by the Agence Française de Development in August 2020. This has acted as the springboard we needed to reinforce our Green Loan for our corporate clients as well as equip us with the resources to tailor more sustainable financing options and structured products for all our customers as per their requirements and aspirations.

Our focus: sustainable recovery and growth

As we set off to navigate through another year of turbulences likely to be engendered by the ongoing pandemic, we remain committed to drive a sustainable recovery and growth for our clients and for our business. We look forward with much enthusiasm to this financial year towards the achievement of another key milestone on our journey: our new premises in the Tribeca Central Smart City, which will be an environmentally-advanced, energy-efficient and sustainable workplace with a LEED certification as per international sustainability standards. This strategic move is a key step towards becoming a key sustainable financial solutions provider locally and regionally. This will demand an ever stauncher collaboration with our employees, clients, partners and collaborators and I remain confident that albeit this year's challenges, we will collectively work towards transforming the landscape of financing.

Yours Sincerely,



THIERRY VALLET

Interim Chief Executive Officer

MESSAGE FROM THE HEAD OF SUSTAINABILITY AND CSR

Dear Readers,

The world is adapting to a 'New Normal' and so have I since joining AfrAsia Bank in June 2021. The unprecedented challenges triggered by COVID-19, coupled with the ever-evident impacts of climate change, are calling for a major rethink of our priorities as well as the ways and means we, as citizens of the world, use to achieve them. As a responsible corporate citizen, building resilience and nurturing the livelihood of our future generations is at the heart of our sustainability agenda 2030.

The AfrAsia Foundation is a strong testament to how our commitment is translated into actions. Beyond simply supporting the most vulnerable of our local community, we believe in long-term value creation. AfrAsia School not only provides early education to underprivileged children, but also oversees and helps their families through parent empowerment programmes. The pandemic has also seen the emergence, in 2020, of the AfrAsia Foundation Aid Support Programme which has raised more than MUR 570k to help families in need of basic food baskets and hygiene necessities. We believe that by providing an enabling and supportive environment to the whole family, we are equipping our AfrAsia Kids with the required educational and emotional foundations to successfully pave their way through life.

Through our two other pillars, environment and health, our AfrAsia Foundation aims at closing the loop in seeding an accountability culture in Mauritius. It lies in our hands to design the kind of World we want to pass on to our children. AfrAsia Foundation has provided its support to initiatives aimed at restoring our marine ecosystem and providing support to fishermen and many others affected by one of the worst environmental disasters to hit our lagoons in the recent years namely the MV Wakashio. Additionally, even with the on-going pandemic, the Foundation donated MUR1.2 m to the NGO Link to Life, for the prevention of cancer and its precocious diagnosis.

On the corporate sustainability sphere, we aspire to get onboard our journey all our stakeholders: our employees, our clients, our shareholders and our community at large. Capacity building remain a core focus and our employees are being trained on the integration of sustainability principles within their day to day jobs. To promote a sustainability mindset amongst our clients, we have started working on a portfolio of sustainable finance offerings, tailored for our customers' needs, both in terms of financing and investments. Last year, we launched the iStoxx STOXX Global Cities of Tomorrow Select 30 - NR Decrement 5% Index structured product which allows a targeted investment in the sustainable smart city megatrend comprising of 30 liquid stocks with low volatility and high dividend yield. We followed suit with another structured product entitled the 'Blackrock ESG Multi-Asset Fund VT 8%', rated 5-star by Morning Star.

Breaking boundaries, AfrAsia has advocated actively for the advancement of the Sustainable Development Goals. As founding member of the Global Compact Network for the Indian Ocean, AfrAsia Bank has been rallying stakeholders towards the

achievement of these common goals and this shall perdure as an integral part of our sustainability agenda. Prior to embarking on the AfrAsian journey, as an external party, I have witnessed the impact of the AfrAsia Bank Sustainability Summit on raising awareness of the SDGs. As a firm believer in driving the change we seek through engagement and cooperation, I am certain that local, regional and international collaboration will catalyse the adoption of sustainable business practices for one and all. Albeit our inability to action on the third edition of the AfrAsia Bank Sustainability Summit in 2020, we remain as ever determined to renew this regional platform to drive not just the Bank's but also the national sustainability agenda even further.

Without any doubt, we can pride ourselves in the fact that the AfrAsia's Sustainability strategy is taking shape albeit the various potholes encountered along the way to attaining our objectives. Time has come to set sight on new horizons. We are currently in the process of defining our 2030 sustainability strategy to further reinforce our position as a partner of choice and sustainable financial lever in transitioning towards a low-carbon and socially-inclusive society.

Last but not least, I wish to convey my warmest thanks 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 impact for the communities in which we operate. I wish you an insightful reading of our sustainability performance for the financial year 2021.

Yours Sustainably,



ALVIN PEERTHY

HEAD OF SUSTAINABILITY AND CSR

ABOUT THIS REPORT

AFRASIA BANK



REPORTING PERIOD

AfrAsia Bank Limited (the “Bank” or “AfrAsia Bank” or “AfrAsia” or “ABL”) Sustainability Report 2021 is a report that gives an overview of our non-financial performance for the Financial Year 2020 – 2021.

TARGETED AUDIENCE

All stakeholders of the Bank

INTERNATIONAL STANDARDS

Our report has been produced in reference to the Global Reporting Initiative (GRI) standards and gives an overview of our sustainability strategy and initiatives.

BOUNDARIES

This report includes information on AfrAsia Bank Ltd and its subsidiaries. Unless explicitly mentioned, all Key Performance Indicators (KPIs) pertains to our operations in Port Louis (Head Office & Branch) and Ebene (Branch).

FORWARD LOOKING STATEMENTS

Forward looking statements in this report are subject to changes in line with our Corporate Strategy and Vision.

CONTACT

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Should you need a paper copy of AfrAsia Bank's Sustainability Report 2021, please contact the Corporate Sustainability & CSR Team at abss@afasiabank.com or via phone (+230) 403 5500. You may also contact us via post [Bowen Square | 10, Dr Ferriere Street | Port Louis | Mauritius]. You are requested to provide your full name and full postal address.

1. OUR SUSTAINABILITY AGENDA

INTRODUCTION

The COVID-19 has offered an unprecedented opportunity for companies to move towards the integration of environmental, social and governance (ESG) in their management systems. 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. Supported by our Board of Directors, the Bank believed in sustainability as a long-haul value creation for all its stakeholders and a culture of transparency.

Based on the four pillars of sustainability (workplace responsibility, marketplace responsibility, environmental responsibility and social responsibility), our 2021 sustainability strategy has been our blueprint to integrate responsible principles within our business practices and to develop projects focused on long term value creation. Throughout the years, the focus was also on building a culture and awareness around sustainability and the Sustainable Development Goals (SDGs).

Looking back on the financial year 2020-2021, which has been severely disrupted by the COVID crisis, many projects were either postponed or adapted to fit the 'new' normal. For the third-year consecutive, a separate sustainability report with details on Bank's non-financial performance has been provided. These reports can be found on our website in the Sustainability Section.

The different pillars will be explored in more details throughout the report in the various chapters.

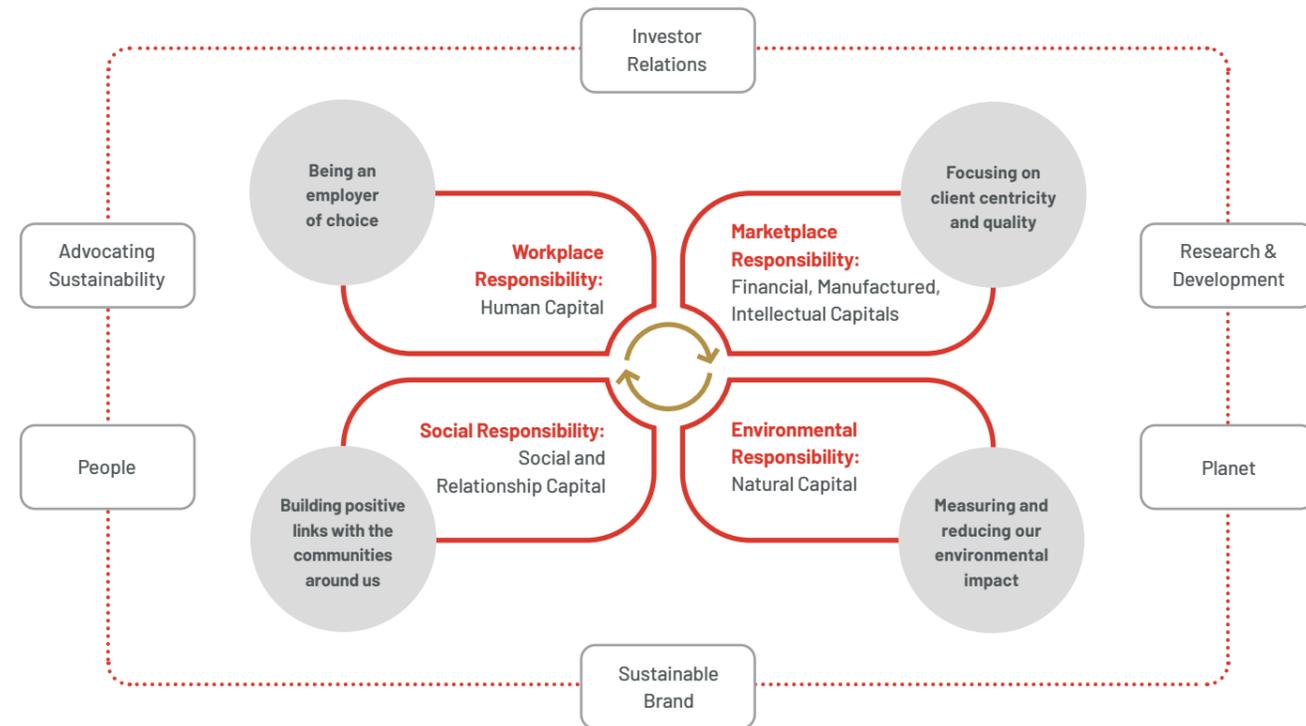


Fig 1: Our 2021 Strategy

1. OUR SUSTAINABILITY AGENDA

ENGAGING WITH OUR STAKEHOLDERS

Engaging with our stakeholders has always been a key focus of our sustainability agenda. AfrAsia believes that engaging in meaningful dialogues and gathering valuable insights from its key stakeholders have been instrumental in driving its 2021 vision.

This has been achieved by various means including through:

- Sustainability Committee, comprised of representatives from each department from ABL;
- Transparent reporting on our sustainability performance (Integrated Reports, Sustainability Reports);
- Engaging with international organisations such as the Global Reporting Initiative, United Nations Global Compact;
- Being a founder member and council member of the Global Compact Network (Mauritius) Foundation, Indian ocean regional network of the global compact;
- Development of our first materiality assessment in 2018;
- Organization and participation in webinars and conferences on sustainability (AfrAsia Bank Sustainability Summit (ABSS), ABSS Cocktail Evening, 20 mins with AfrAsia (webinars), UN conferences).

ADVOCACY

The Bank believes in creating discussions 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
- As a founder and council member of the Global Compact Network for the Indian Ocean
- Launch of Sustainability themed webinars: Digitalisation, ESG
- Members of the Business Mauritius (BM) Sustainability Network



1. OUR SUSTAINABILITY AGENDA

KEY ACHIEVEMENTS OF CORPORATE SUSTAINABILITY AND CSR

2015

- Introduction of sustainability reporting in annual report
- First reporting to United Nations Global Compact (UNGC)
- Development of our 4 Sustainability Pillars

2017

- 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)

2019

- 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

2021

- 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

2016

- 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"

2018

- 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

2020

- 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 Française du développement (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

1. OUR SUSTAINABILITY AGENDA

THE WAY FORWARD

OUR NEW STRATEGY

The world is adapting to the new normal and the unprecedented challenges imposed by the COVID-19 pandemic. The impact on our Sustainability strategy has been strong but ways were devised to mitigate these impacts.

In these challenging times, we found various opportunities to explore new ideas, as we see Sustainability has been pushed into the limelight. Financial institutions have an important role to play to help achieve the UN's 2030 Agenda. Not only will banks be instrumental in the financing of the SDGs but they can also act as change makers by providing incentives to encourage companies to move towards sustainability.

At AfrAsia, we are working on embedding sustainability factors into our enterprise risk framework. Additionally, the Bank is striving to work towards the Sustainable Development Goal (SDG) 13 - Climate Action. As a financial institution, we understand that our main impact is through our lending activities. Through the SUNREF Program and our partnership with the Agence Française de Développement, we, as a Bank, will be transforming our operations and credit portfolio through the implementation of an Environmental and Social Management System. We are also increasingly providing sustainable financial alternatives to our clients through offerings such as our Green Car Loan, and Green investment products, Istoox Global Cities of Tomorrow Select 30, Blackrock ESG Multi-Asset Fund VT 8%.

The details of our new Sustainability Strategy will be announced in Q4 of FY2021-2022 and will be aligned to the UN's 2030 Agenda.

CUSTOMER EXPERIENCE

At AfrAsia Bank, we aim to be the reference Bank for Excellence in Customer Service and Customer Experience in the local market. We are committed to putting the customer at the heart of our Banking Experience. Our aim is to drive excellence by instilling a service culture mindset amongst employees and by so doing, achieve service alignment across the business.

Our main purpose is to continuously improve our level of service and product offerings and sustain the experience offered to our valued customers. We shall, at all times take a flexible approach when dealing with customers - we aspire to make them experience a service which is tailored to their needs and/or circumstances.

A CX Committee has been established in 2019 so as to improve the experience of our customers. With this committee, we have analysed several internal pain points, and implemented remedial actions so as to solve issues which impacted the customers' journey.

CX CHARTER

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

COMPLAINTS

Customers can escalate their concern/complaint/feedback on our 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>) This is then 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@afriasiabank.com and we will get back to you.

1. OUR SUSTAINABILITY AGENDA

OUR CULTURE & VALUES – DARE

OBJECTIVE

To enhance Employee Experience through DARE so as to drive Customer Experience and to make our employees happy so they could in turn make our customers happy.

PROJECTS AND INITIATIVES

Several events were organized by the culture ambassadors for the last financial year (2020/2021) despite the pandemic:

- Diwali 2020: Staff were invited to dress up traditionally and received Diwali cakes in a recycled cake box
- Christmas 2020: Staff received chocolate cakes in a recycled cake box
- Spring 2021: Staff were requested to dress up traditionally, they received Chinese cakes in a recycled box and the DDs invited a Chinese group to perform their traditional Lion's Dance

CULTURE AMBASSADORS

The role and responsibilities of the Dare Devils (DDs) Culture Ambassadors is to promote the DARE 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. The DDs also organise events and parties which are tailored by the staff, for the staff.

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) and the RFID tagging and security control.

| | |
|--|---|
| <p>DISRUPTIVE Be the change. Think different, innovate and work smart.</p>  | <p>ACTION Actions speak louder than words. Do whatever it takes to get the job done! Do what we say we do...make it happen.</p>  |
| <p>ROCKING Play as a team with dynamism and mutual respect. We are ONE team, we work together towards the same objectives</p>  | <p>E !!! Everyone, Everyday, Everything fun!!! We work in a fun environment.</p>  |

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 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.

1. OUR SUSTAINABILITY AGENDA

THE YEAR IN PICTURES



2. 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 wellbeing/health, job security, employee retention and the on-going training of our people.

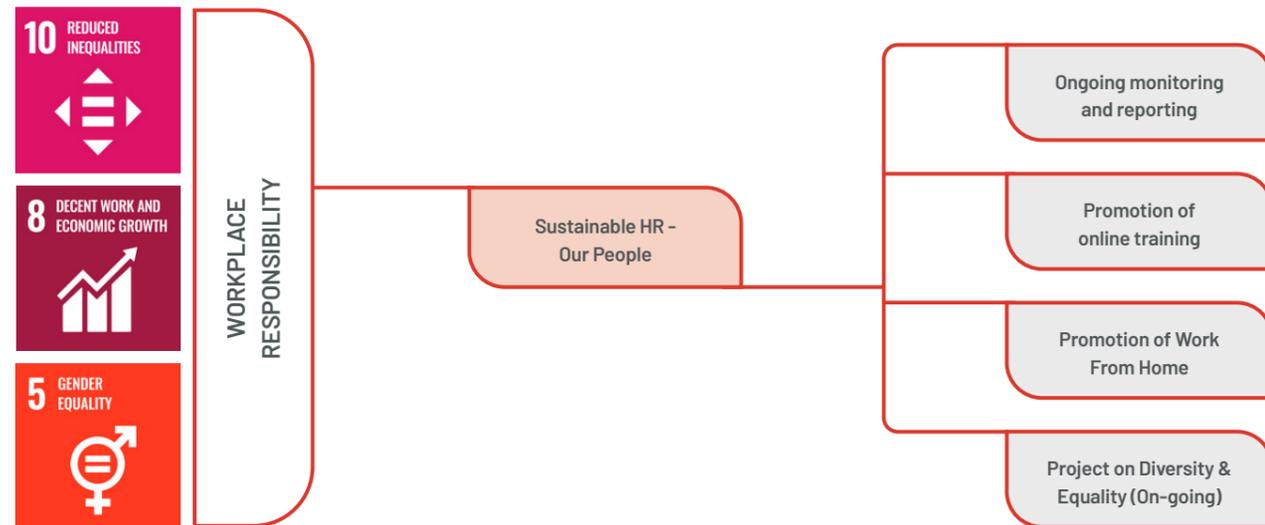


Fig 2: Overview of HR projects



Fig 3: Our HR Strategy

As a responsible employer, we pride ourselves in providing a positive and happy atmosphere for our people. They remain among our most important stakeholders and we value their contribution towards making

AfrAsia an "Employer of Choice", that's why we regularly collect feedback & suggestions for improvements to all aspects of HR including policies, processes, employee benefits and training programmes.

2. WORKPLACE RESPONSIBILITY

WORKFORCE COMPOSITION

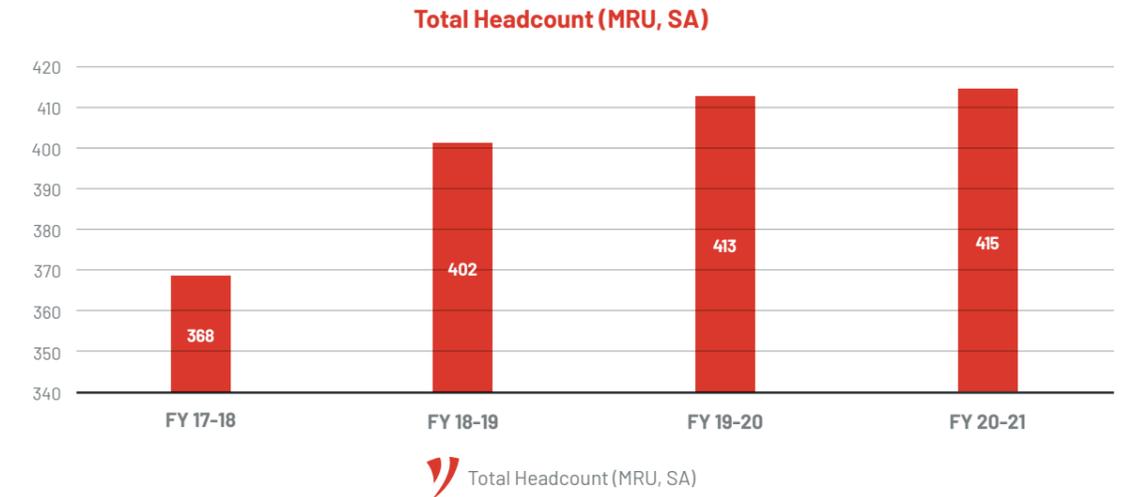


Fig 4: Total Headcount (including Mauritius and South Africa)

| | MALE | FEMALE | TOTAL |
|-----------------------|------|--------|-------|
| Permanent | 203 | 197 | 400 |
| Contractual Long Term | 5 | 0 | 5 |
| Part Time | 1 | 0 | 1 |
| Project Based | 2 | 7 | 9 |

Table 1: Types of Contract by Gender

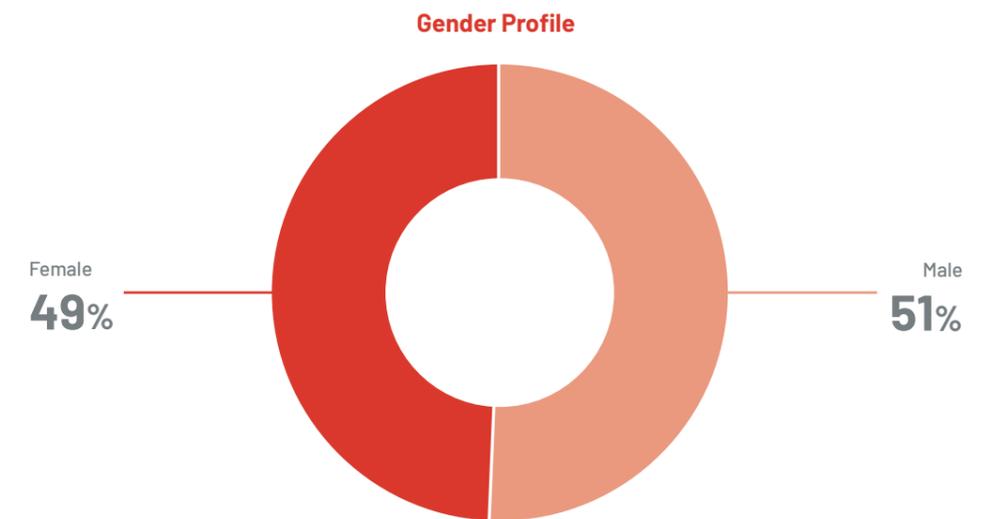


Fig 5: Gender Profile of our workforce (includes Mauritius and South Africa)

Our gender profile continues to be evenly balanced between female & male employees

2. WORKPLACE RESPONSIBILITY

ATTRACT

Our robust recruitment process allows us to find the right profile for each opportunity. We provide an interesting package of financial and non-financial benefits to help attract the best talent in the market. These include:

1. Competitive remuneration packages
2. Healthy work life balance through flexible working schedule, remote work and flexible contract
3. Employee benefits, including loans (e.g. housing, car and personal) at very competitive interest rates
4. Fully paid medical insurance
5. Pension scheme
6. Annual Leave & Sick Leave
7. Employee discounts and promotional offers
8. A Birthday Gift
9. Parking benefits
10. Study leave & Sponsorship for tertiary education
11. Social activities
12. Health screening events
13. Sports activities
14. High Performance high reward culture

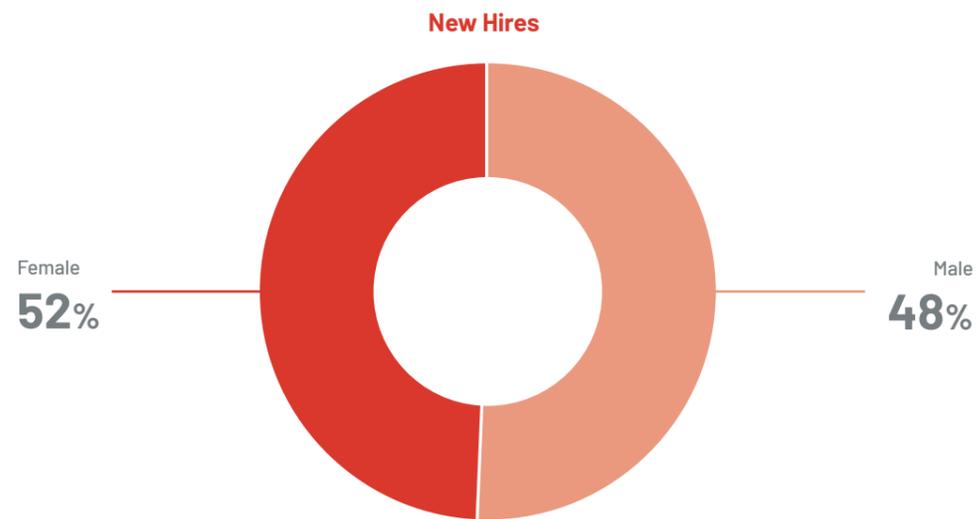


Fig 6: New Hires by Gender (Full Time Employees only)

DEVELOP

With the current pandemic impacting the business world, we chose to focus on enhancing our employee's knowledge through on-line courses to develop both soft and technical skills.

With limited resources and Government protocols preventing most face to face gatherings, including training, we maximise our internal Subject Matter Experts (SMEs), creating opportunities to share their knowledge with colleagues through virtual sessions. We also optimised our Human Capital

Management tool (HCM) by working to create new and interesting content, videos, learning through gamification, quizzes and internal competitions; to continually engage as many ways as possible under the difficult circumstances. It's not surprising to see that because of the restrictions our average training hours has dropped down from around 20 hours last year to 11 hours per person in 2020/21.

2. WORKPLACE RESPONSIBILITY

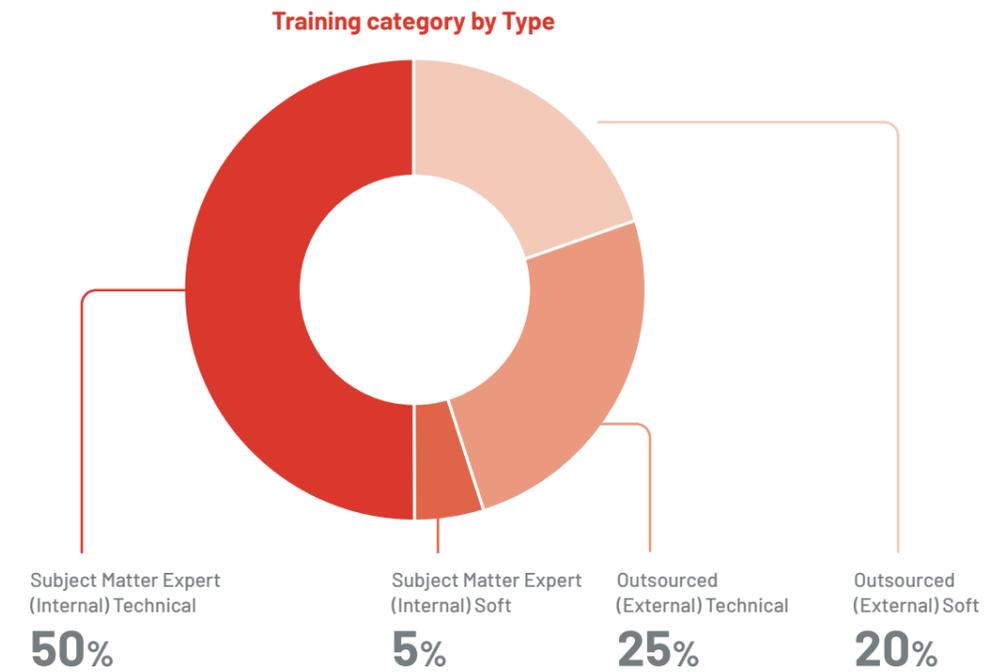


Fig 7: Training Category by Type

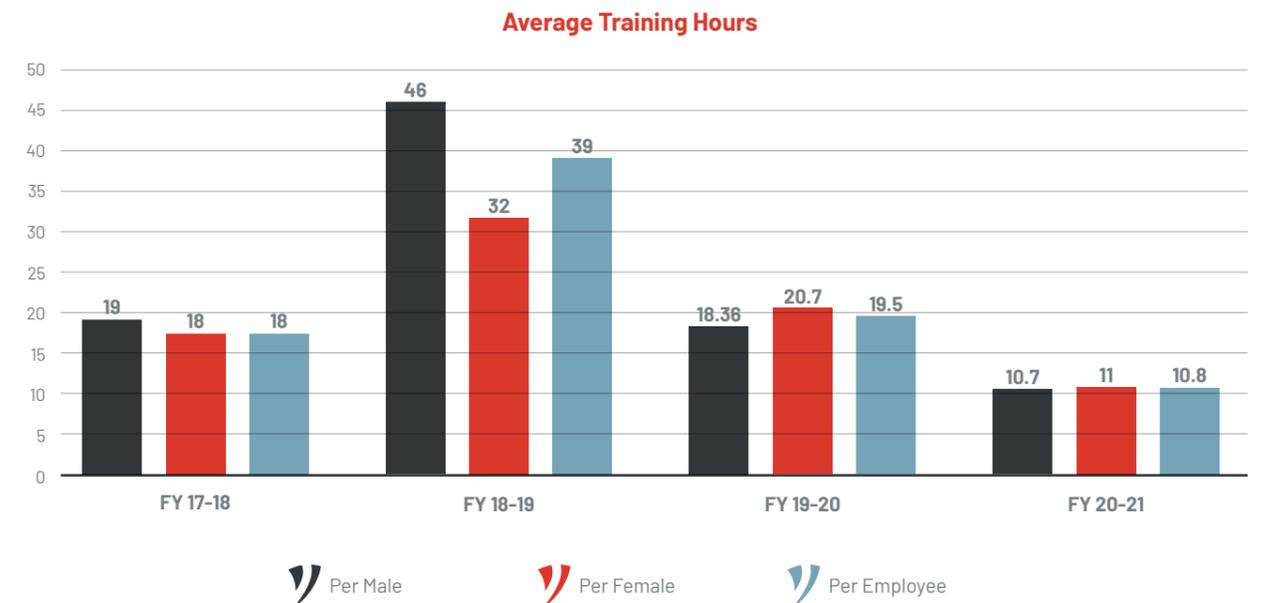


Fig 8: Average Training Hours throughout the years

Career advancement and growth are still very important elements for our employees; internal promotions and reward our top performers by giving them the opportunities are communicated to allow those who feel they are ready to take on new roles with higher responsibilities can apply. Naturally, with the pandemic we had less internal movement this year, with employee health & wellness being a primary focus, we expect 2021/22 will open up and create a more buoyant environment for career growth.

As well as the bi-annual performance reviews; Career conversation project has also been started on a pilot basis with 12 employees across the bank. 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, growth opportunities on a more individual & personal level, so they may take the necessary steps towards the career goals with a level of clarity and sense of purpose.

2. WORKPLACE RESPONSIBILITY

RETAIN

Retaining top talents is always among our priorities. As part of our retention strategy, we conduct exit interviews to gather feedback and comments from employees systematically when they leave us; this data helps us understand as well as monitor our turnover and bring improvements.

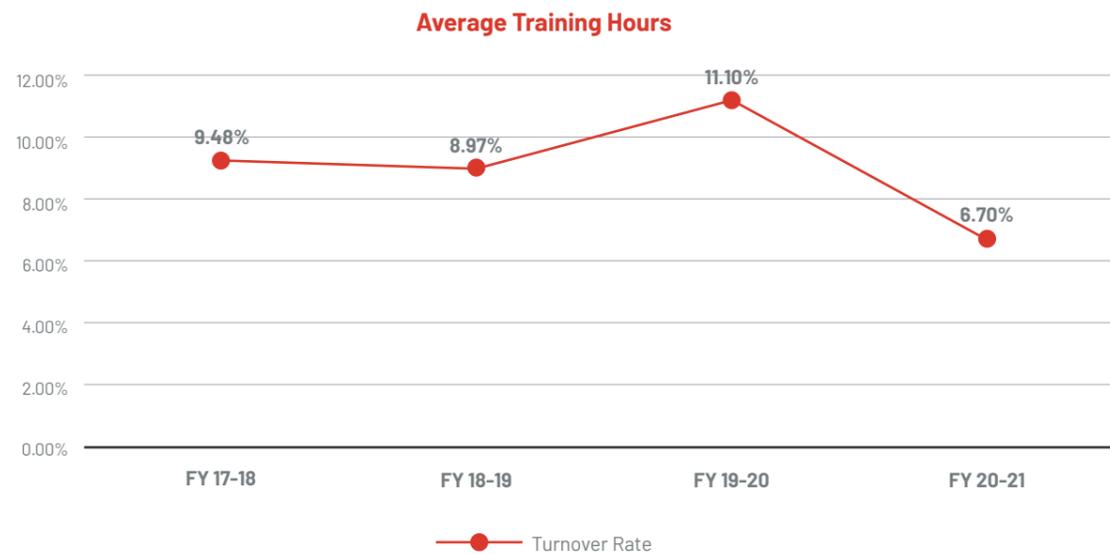


Fig 9: Turnover Rate

In this financial year, we had 27 exits, our lowest since FY 17-18; this figure includes voluntary and involuntary turnover.

EQUAL OPPORTUNITY AND DIVERSITY

As an equal opportunity employer, we do not discriminate on any basis including race, colour, religion, national origin, gender, physical or mental disability or age.

Our code of ethics and grievance policy provide the framework for employees to raise their concerns. An investigation is conducted and disciplinary actions are taken if required.

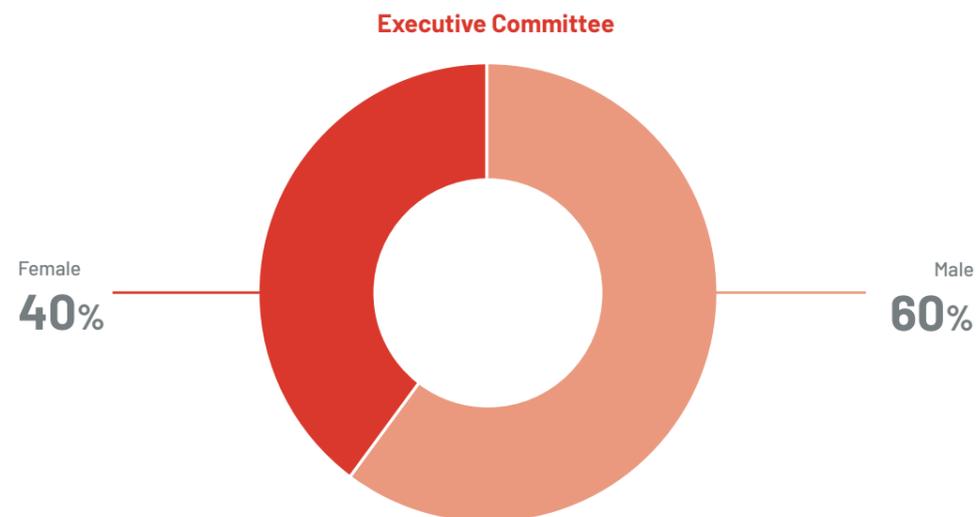


Fig 10: Composition of our Executive Committee by gender

2. WORKPLACE RESPONSIBILITY



HEALTH AND SAFETY

COVID-19

Amid the COVID 19 pandemic, the safety and health of the employees has become of utmost importance. Various initiatives have been deployed including:

1. Work from home for all non-essential staff
2. Provision of masks and gloves to all employees daily
3. Hand sanitizers placed in all locations
4. Signage prepared to increase awareness
5. Building access protocol put in place
6. Safe/Social distance protocol implemented
7. Awareness sessions on masks usage and proper sanitization protocols
8. Increased frequency for meetings with Safety and Health Committee members
9. Regular update on Pandemic situation in the country
10. Temperature testing across the business
11. Vaccination offered to all employees
12. Awareness session with medical professionals
13. Demarcation of isolation area on the premises

COMPLIANCE WITH THE LAWS

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

1. Full time safety and health officer 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 Assessment Exercise
6. Safety training for sub-contractors

ACCIDENTS AT WORK

Whilst we aim to ensure the safety of all employees and visitors, 2 'serious' accidents were reported for the financial year 2020-2021. Serious accidents are as per the definition of OSHA, meaning the injured person attended a medical center for treatment and was admitted overnight. Our Health & Safety team

investigate all accidents and take the necessary steps to address any matters of concern or increase awareness to avoid a repeat incident; the 2 'serious' accidents were determined to be as a result of employee inattention.

3. MARKETPLACE RESPONSIBILITY

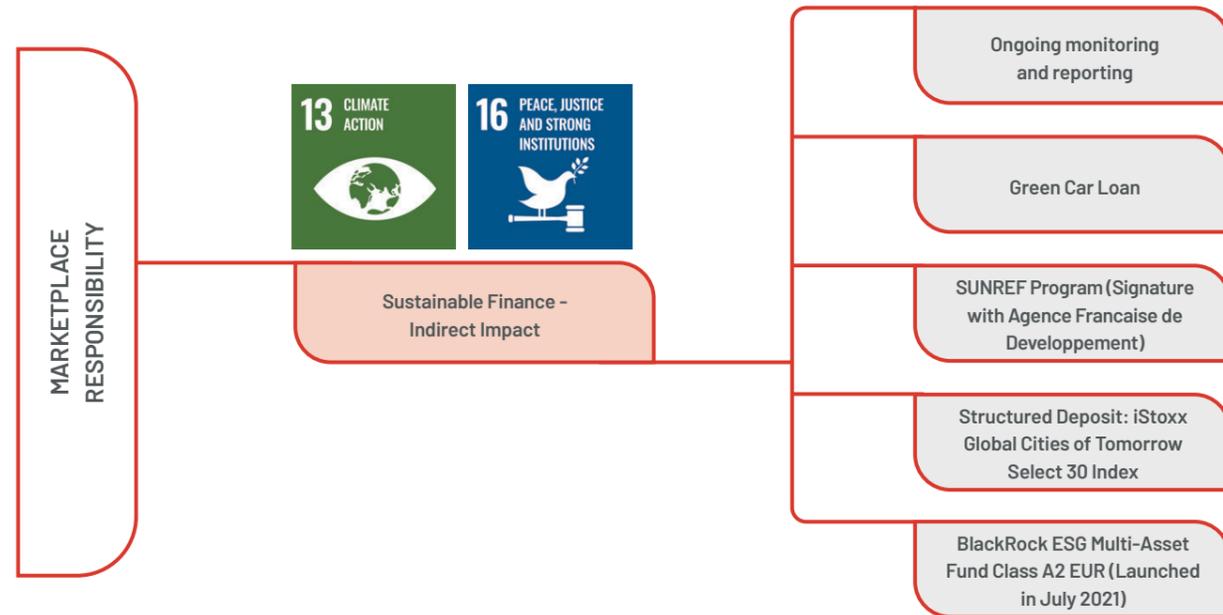


Fig 11: Overview of Marketplace Responsibility

As a Bank, we must focus on the continued development of marketplace responsibility pillar. Our lending practices must complement ESG and our credit risk appetite.

GREEN CAR LOAN

Launched in October 2019 as AfrAsia's first green product, the Green Car Loan's main aim is to encourage our clients to adopt a sustainable lifestyle by opting for cars with lower environmental impact (hybrids and electric). A

total amount of approximately MUR 67m were disbursed to clients opting for green car loans.

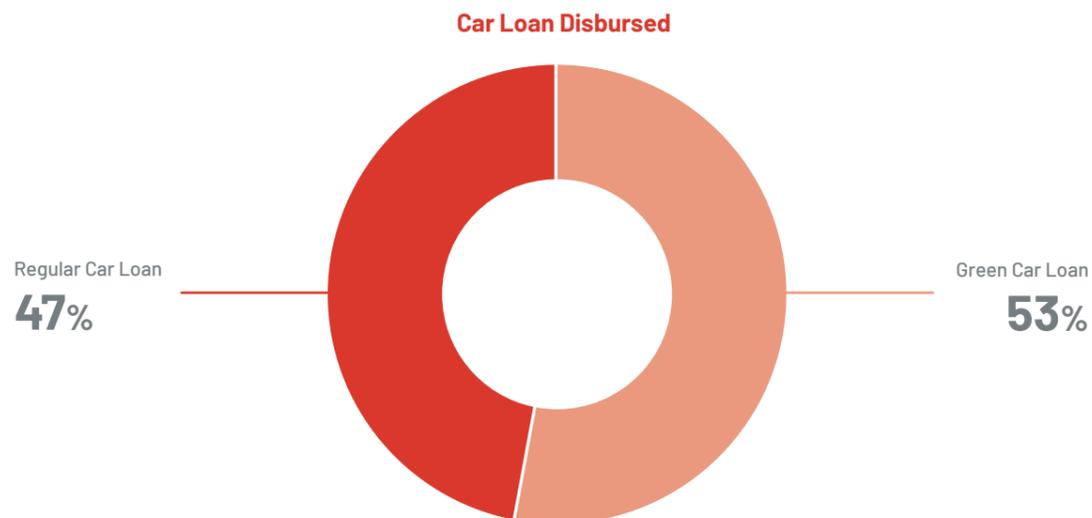


Fig 12: Total Car Loan disbursed by type for the FY 2020-2021

3. MARKETPLACE RESPONSIBILITY



SUNREF PROGRAM

On 14 August 2020, ABL partnered with Agence Francaise du Developpement (AFD) under the SUNREF programme to facilitate the funding of sustainable projects and help build the Mauritian economy's climate resilience by providing support to companies and individuals embarking on this path.

Along with the EUR 10m worth of green line of credit, ABL will also benefit from a technical assistance to build internal capacity and implement an Environmental and Social Management System (ESMS). This will allow the Bank to monitor and devise mechanisms to transform its credit portfolio.

STRUCTURED PRODUCTS

Last year, our treasury department launched its first sustainable structured product namely the: "iStoxx Global Cities of Tomorrow Select 30 NR Decrement 5%", which aims to capture the economic upside of companies exposed to the powerful transformation and growth of

smart cities in the digital era and combines a thematic approach with responsible criteria and low-volatility/high-dividend screens, highlighting the versatility of passive investing.

(<https://www.stoxx.com/pulse-details?articleId=1435450681>)

3. MARKETPLACE RESPONSIBILITY

ETHICS AND COMPLIANCE

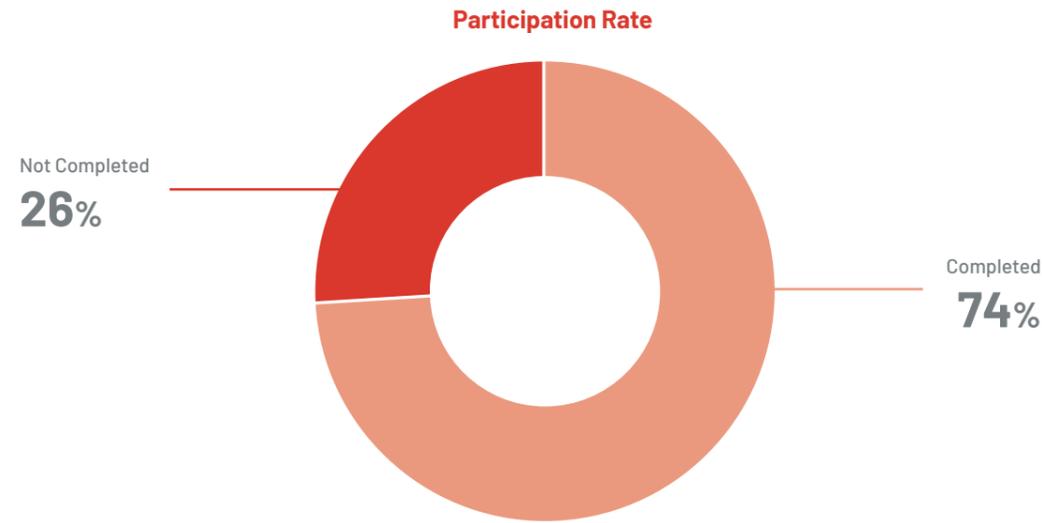


Fig 13: Participation rate in Annual Operational Risk Awareness in June 2021 (410 employees)

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

1. Ongoing review of Policies and Procedures.
2. AML/Compliance Training available on our internal learning platform for our staff.
3. Communication of updates and changes in laws and legislations to our internal teams through emails.
4. Due diligence on all of our clients, partners and suppliers as per our AML and Sourcing policy.
5. Implementation of our 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 Desk under the Risk umbrella from a governance perspective. The AML Department identifies risks that the bank faces. This is done when a new customer is onboarded, ongoing review of customers and post transaction monitoring on key risk indicators.

We also conduct weekly meeting 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.

Some of the measures in place are as follows:

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

3. MARKETPLACE RESPONSIBILITY

CYBERSECURITY POSTURE

As part of our response to the evolving nature of cyber threats, 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 follows well-known cybersecurity frameworks such as ISO 27001, 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. Enhancement of the existing Privilege Access Management platform for providing a more stable and compliant environment.
2. Implementation of a Zero Trust Network Access Solution 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. Developing cybersecurity incident playbooks and assess its effectiveness.
4. Conducting cybersecurity awareness training for ABL employees on how to stay secured in a connected world. Two phishing simulation campaigns were launched whereby the phish-prone rate results decreased from 56% to 16.9%. This is a good indicator showing that ABL employees are more cautious on phishing attacks.

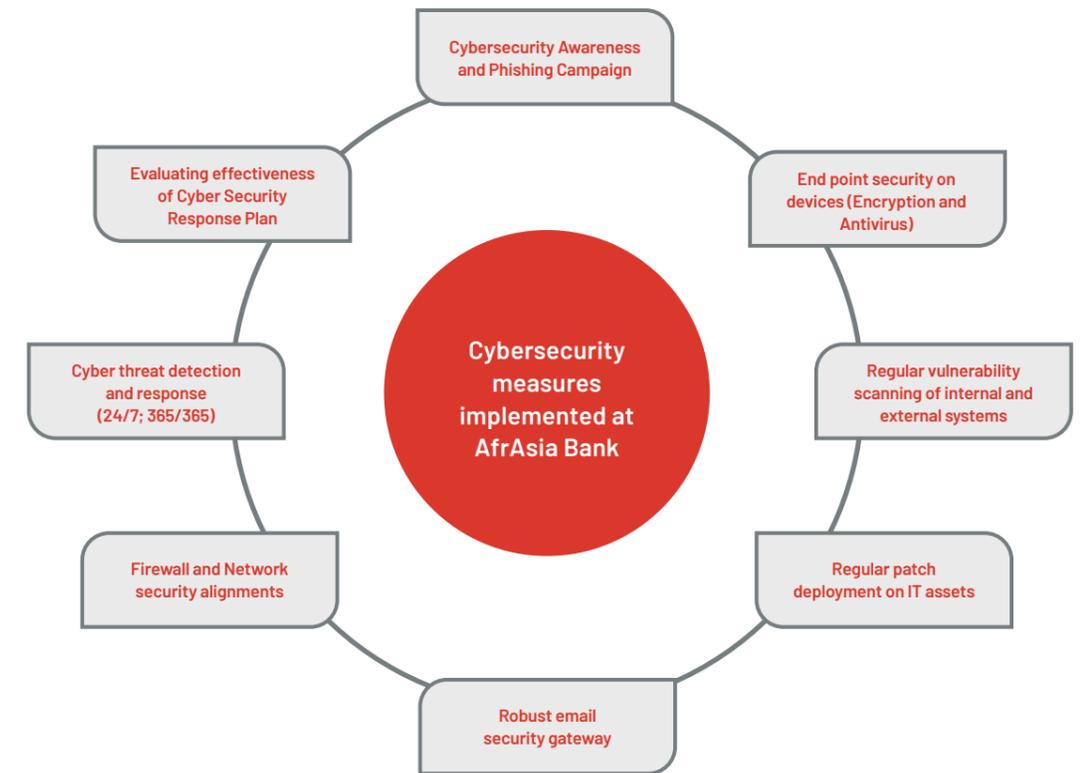


Fig 14: Overview of Cybersecurity measures already implemented at ABL

Monthly reports are shared with senior management providing statistics on security tools implemented, number of spams, cyber-attacks detected and remedial actions 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.

3. MARKETPLACE RESPONSIBILITY



| | July to September 2020 | October to December 2020 | January to March 2021 | April to June 2021 |
|------------------------------|------------------------|--------------------------|-----------------------|--------------------|
| Blocked Malware | 634 | 303 | 569 | 358 |
| Blocked Total Spam | 132,697 | 132,956 | 136,332 | 174,289 |
| Caught Unsafe Attachments | 0 | 1 | 1 | 72 |
| Caught Unsafe URL Clicks | 73 | 53 | 66 | 26 |
| Caught Impersonation Attacks | 2 | 12 | 19 | 554 |

Table 2: Overview of KPIs from a cybersecurity perspective at ABL

SUSTAINABLE PROCUREMENT

As defined by United Nations Development Programme (UNDP), Sustainable procurement means making sure that the products and services we buy are as sustainable as possible, with the lowest environmental impact and most positive social results. (<https://www.undp.org/procurement/sustainable-procurement#:~:text=Sustainable%20procurement%20means%20making%20sure,the%20benefits%20sustainable%20procurement%20offers.>).

A workshop was held with the procurement department in the beginning of the year to help them understand how to integrate sustainability practices within the sourcing process.

4. ENVIRONMENTAL RESPONSIBILITY

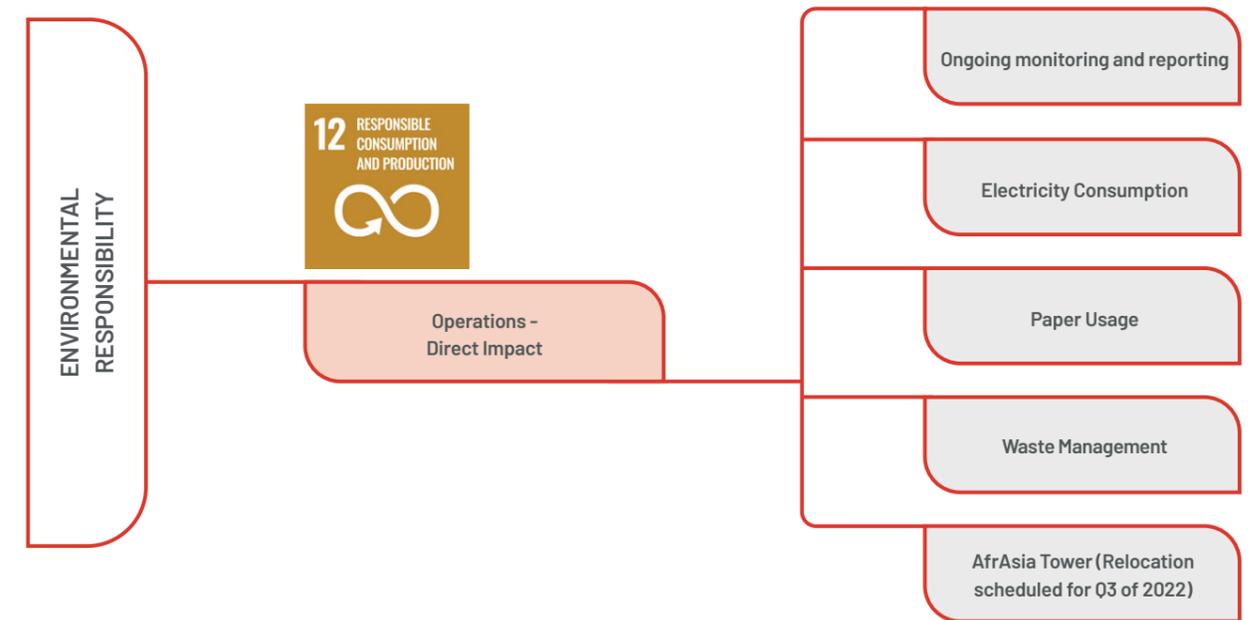


Fig 15: Overview of projects under Environmental Responsibility

ELECTRICITY CONSUMPTION

AfrAsia Bank has two premises in Mauritius at Port Louis and Ebene. We rely on the Central Electricity board for our electricity needs and monitor our electricity consumption to detect any irregularities.

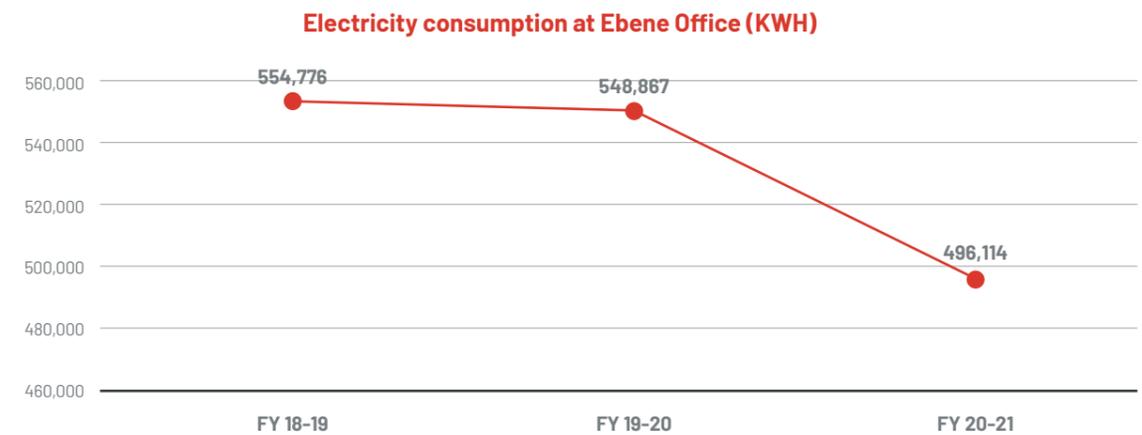


Fig 16: Overview of electricity consumption at Ebene office

4. ENVIRONMENTAL RESPONSIBILITY

PAPER USAGE

As a financial institution, we have a very high paper usage. Various strategies have been implemented throughout the years to reduce our paper use. Along with a costing system per cost center for printing and photocopying which will help reduce internal paper usage, we have also shifted towards digital

banking and the provision of e-statements and e-advice to our clients for the past couple of years.

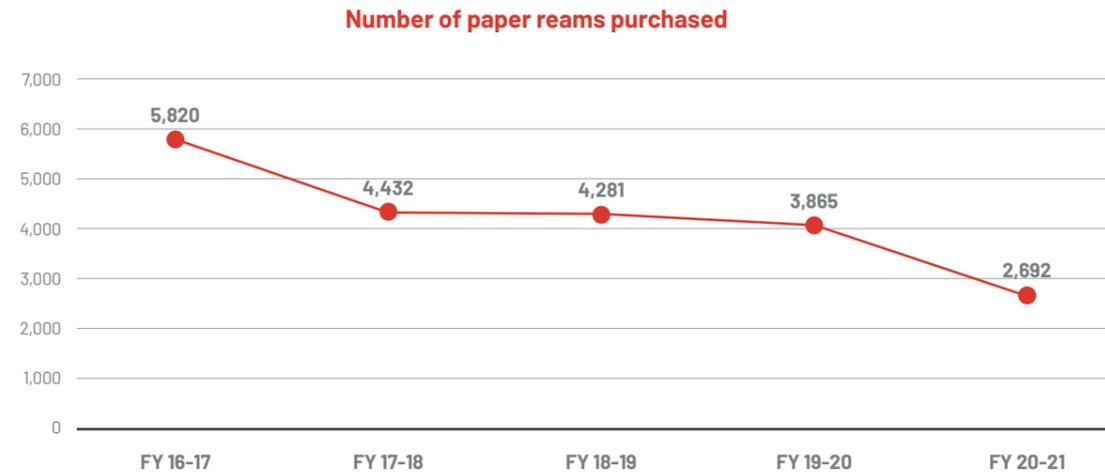
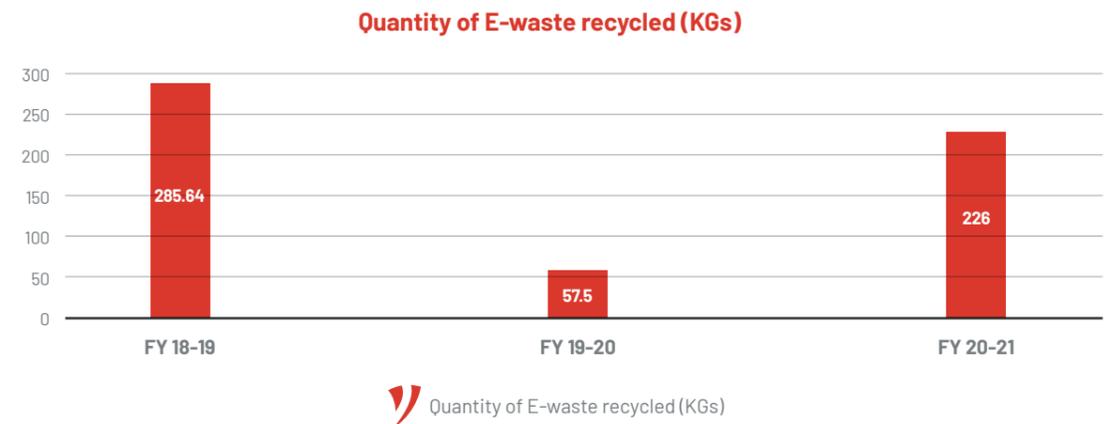


Fig 17: Overview of Paper reams purchased

WASTE

Whilst reviewing our waste strategy, we have been facing major challenges including finding the right supplier who can provide an integral waste collection and recycling services as well as driving awareness session on

waste reduction and sorting with our staff. We are, however, still continuing our partnership with BEM Recycling since 2019 to responsibly dispose of and recycle our electronic waste.



Quantity of E-waste recycled (KGs)

THE AFRASIA TOWER

With relocation of our new 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.

5. SOCIAL RESPONSIBILITY

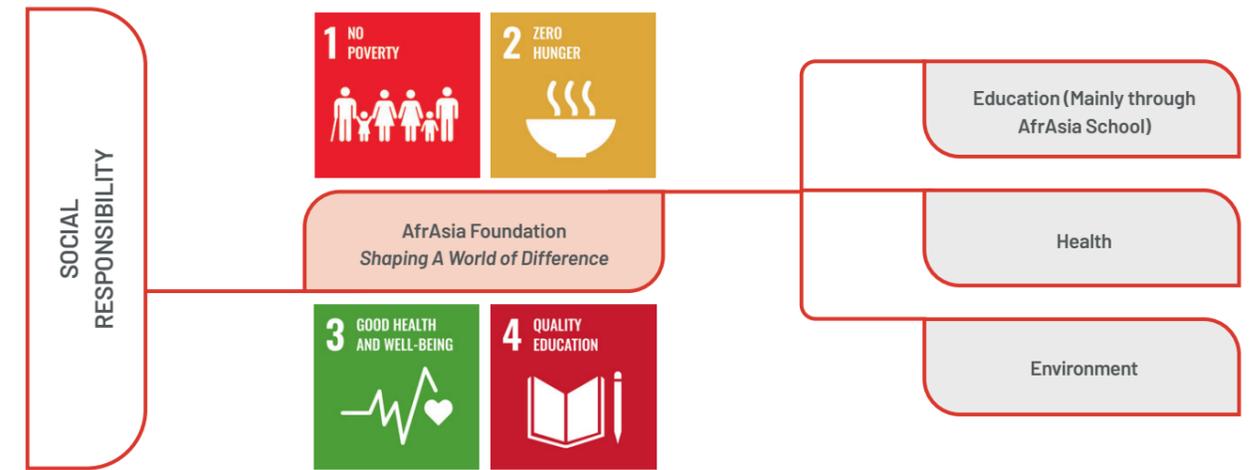


Fig 19: Overview of Social Responsibility pillar

Founded in 2016, AfrAsia Foundation (the "Foundation") acts as the social arm of the bank and the development of the social responsibility pillar is done through same. 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.

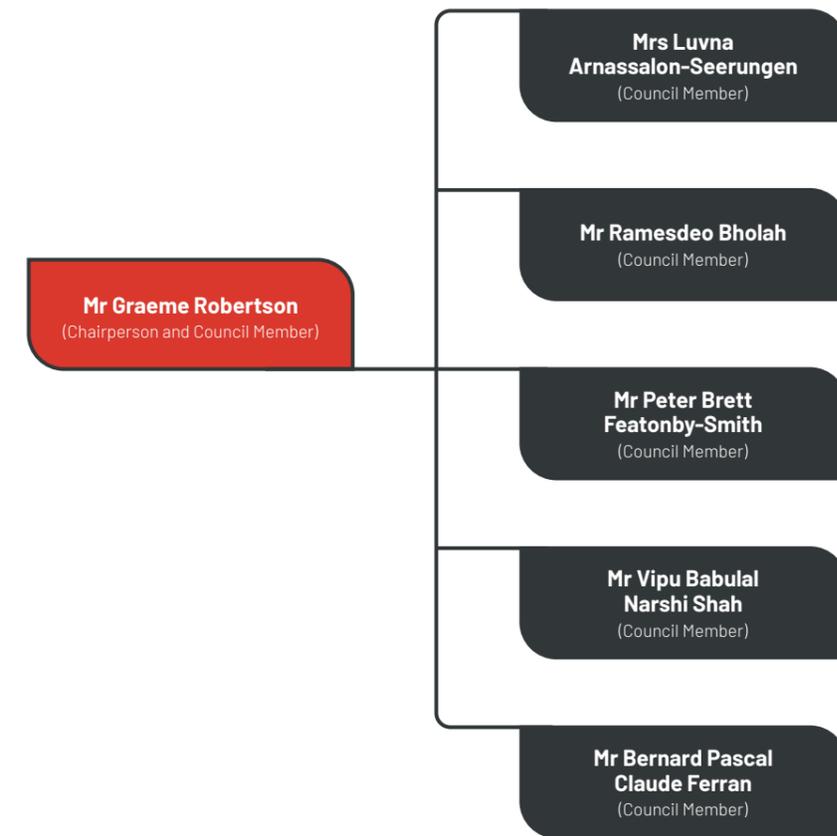


Fig 20: Governance body of AfrAsia Foundation as at 30 June 2021

The new head of Sustainability and CSR has taken up the function of manager of the Foundation as well as council member as from August 2021.

5. SOCIAL RESPONSIBILITY

PILLAR 1: EDUCATION

AFRASIA SCHOOL

The main project under the Education Pillar is the AfrAsia School, which is run in collaboration with 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 4th 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.

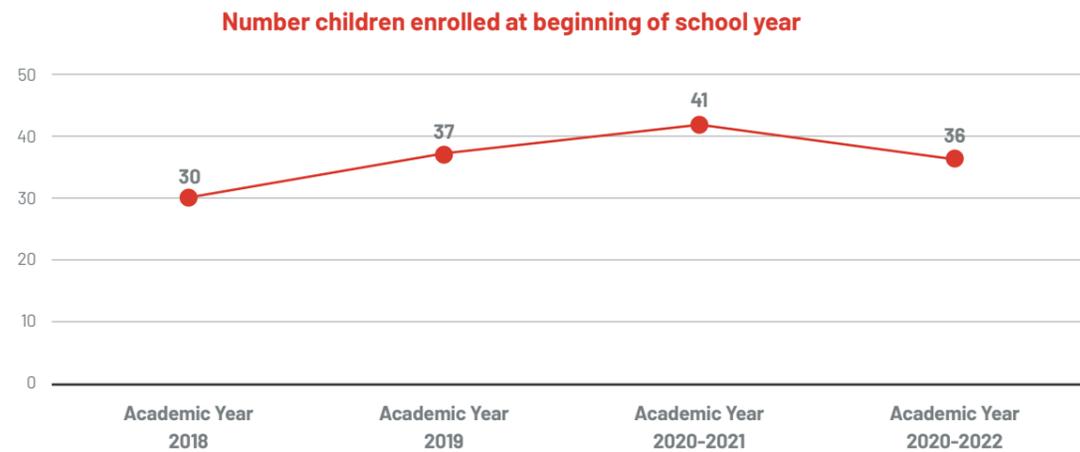


Fig 21: Number of children enrolled at AfrAsia School per academic year

Attendance at the school

The school calendar was marked by the COVID-19 pandemic and the lockdowns associated with same in April and May 2021. However, the attendance rates of the students were closely monitored and averaged at 89% for the year.

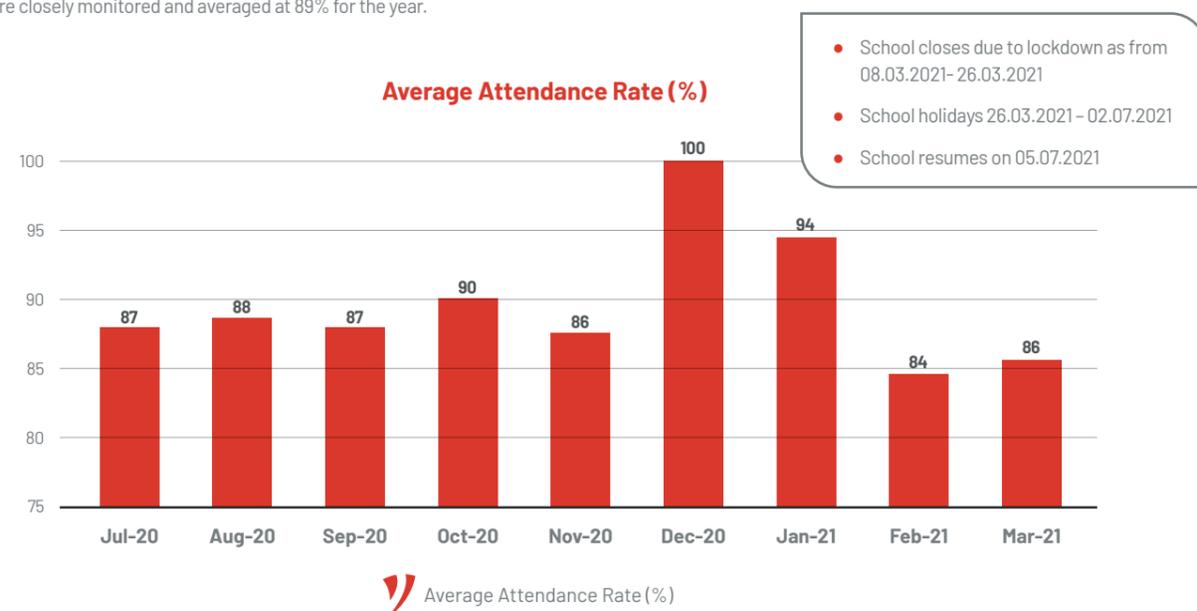


Fig 22: Average attendance rate for the academic year 2020 - 2021

5. SOCIAL RESPONSIBILITY

Wishtree Initiative

Every year for Christmas, the Foundation launches the Wish Tree Initiative, whereby the generosity of our staff and (sometimes) our clients are solicited to make the wish of an AfrAsiaKid come true. For Christmas 2020, this initiative

was supported 100% by AfrAsians. All beneficiaries received at least one of their desired gift during this festive season.

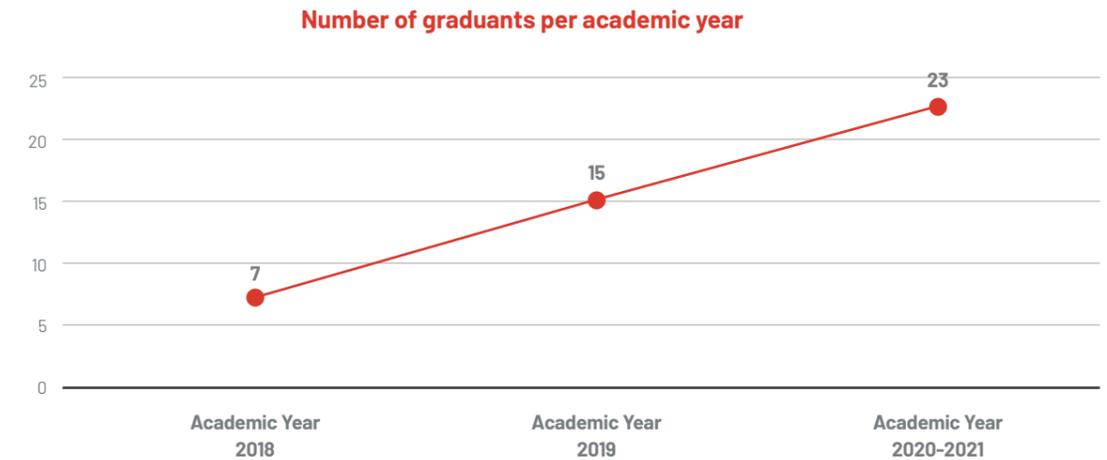


Fig 23: Number of graduates at AfrAsia School per academic year

The graduates under the AfrAsia School – Life Long Education programme entered an AfterSchool programme, whereby they get the support from the teachers to do their homework. Any difficulties they face in their new environment (public schools) are tackled by a close collaboration between the AfrAsia School teachers, their current teachers and their responsible parties. In the after-school

classes, special activities based on the Montessori method are also taught. 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.

AFRASIA GOLF ACADEMY

Unfortunately, due to the current pandemic, the AfrAsia Golf Academy project has been put on hold.

5. SOCIAL RESPONSIBILITY

PILLAR 2: HEALTH

MEDICAL AND PSYCHOLOGICAL SUPPORT FOR AFRASIA KIDS

AfrAsia Foundation continued to provide monthly medical visits for the AfrAsiaKids by a qualified nurse to monitor the Body Mass Index (BMI) of the children and to refer any cases that might need further interventions.

Lesson on dangers of the sun and how to protect your skin

Medical Screening and First Aid Essential donations by Rescue Emergency Ambulance

Eye Checkups in collaboration with Patel Optics



Medical Screening



Fig 24: Medical related activities organised for AfrAsia Kids

BMI comparisons Oct 2020 and Jan 2021 (%)

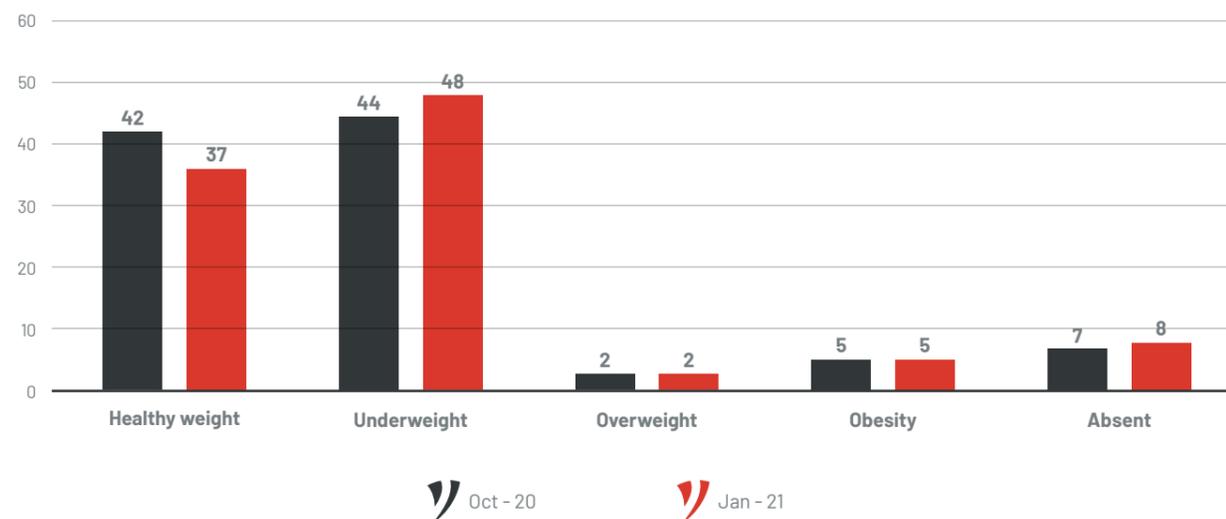


Fig 25: BMI comparisons of AfrAsia Kids (%) Oct 2020 vs Jan 2021

A comparison of the BMI of the AfrAsia kids made in Oct 2020 and Jan 2021 actually showed a slight decrease in the percentage of kids falling under the healthy weight.

5. SOCIAL RESPONSIBILITY



EMERGENCY AID SUPPORT PROGRAMME IN RESPONSE TO COVID-19

During the first national lockdown of the COVID-19 pandemic (March to June 2020), the AfrAsia Foundation set up an **Emergency Aid Support Programme** to support the AfrAsiakids and other families living in precarious conditions.

wave of the pandemic. More than MUR 570,000 was allocated to support 520 individuals from 108 families. This has been made possible through the 'Sponsor an AfrAsiakid programme' and donations received during the previous lockdown.

With the help of Ti Rayons Soleil, the Foundation monitored and evaluated the need to set up a food bank to sustainably provide food to families still impacted by the aftermath of the first wave. In 2021, AfrAsia Foundation, once again, set up the **Emergency Aid Support Programme** to support the families during the second

CANCER AWARENESS AND SUPPORT TO LINK TO LIFE

This year, we continued to raise awareness around the various forms of cancer and provided our ongoing support to the NGO, Link to Life through a donation of MUR 820m.

OTHER INITIATIVES

Other initiatives under the health pillar were:

1. The Ripple project - With the support of FSB Marketing, Nana Maurice and donations from our staff, the Foundation collected packs of sanitary products, toothbrushes, shampoos, handwashes and other hygiene necessities for the 225 beneficiaries of the Ripple Project, an initiative of KotPiale. The main objectives of this project are to end "Period Poverty" and help underprivileged women to have access to basic menstrual supplies and other necessities. The Ripple Project Initiative aims to change people's perception on access to sanitary products and empower women.
2. The 'Bring back a Smile' initiative - In line with the SDG 10, AfrAsia Foundation put forward the Bring back a Smile initiative that aimed at removing barriers and empowering people living with disabilities. The Foundation teamed up with **Association des Parents de Déficiants Auditifs** (APDA - a specialized school which takes care of deaf and hard of hearing youngster of 3 to 20 years old) to donate **2,480** partly transparent face masks to their beneficiaries, allowing them to see facial expressions

5. SOCIAL RESPONSIBILITY



PILLAR 3: ENVIRONMENT

THE WAKASHIO INITIATIVES

In response to the MV Wakashio oil spill, the AfrAsia staff volunteered to manufacture booms at Bagatelle and Mahebourg and the Foundation raised over MUR 2.0 million through its "Call for action".

These funds were allocated through three main phases:

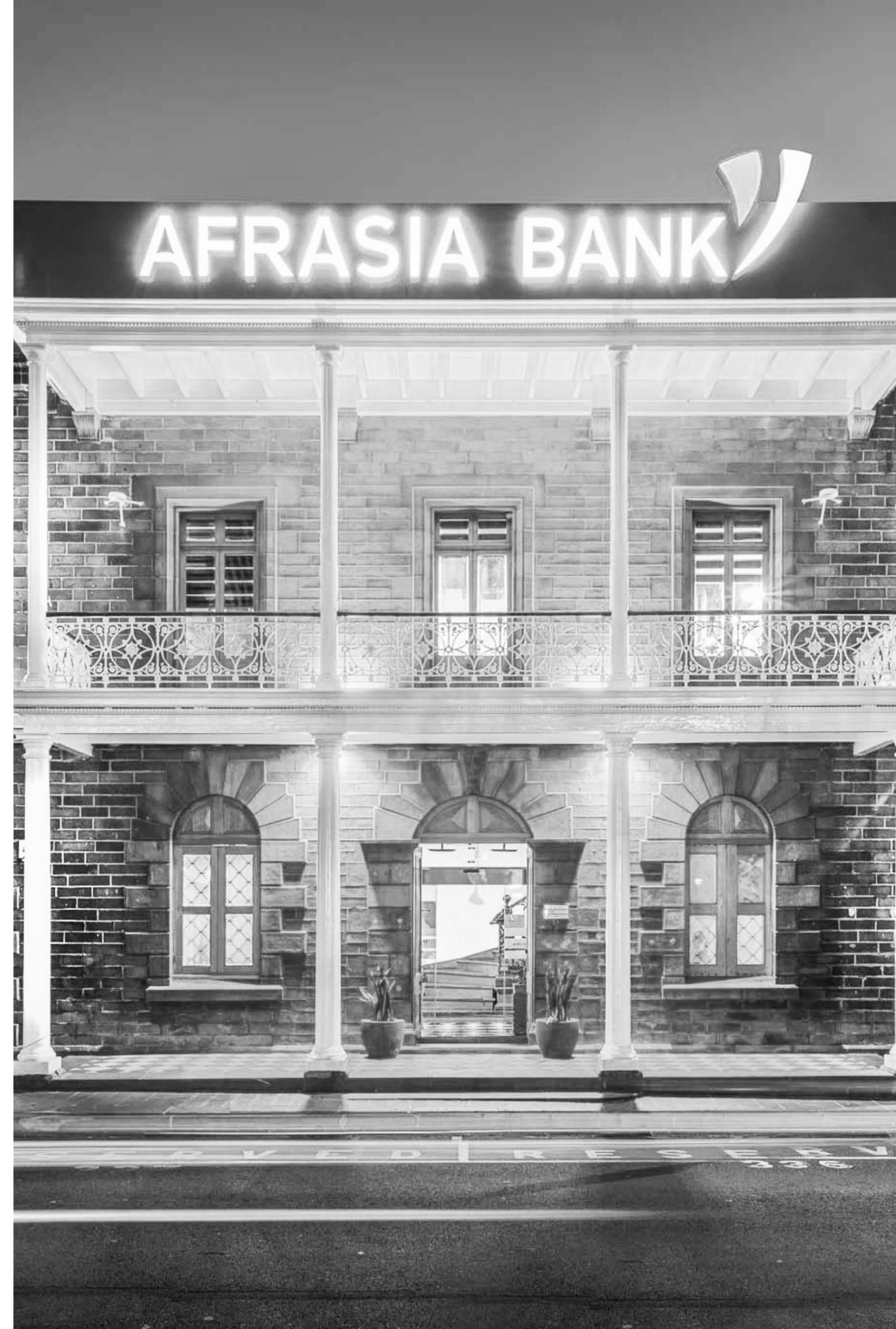
1. Immediate action - Donations of personal protective equipment to the volunteers involved in the clean ups as well as provision of materials for the creation of booms to contain the oil spill. Many AfrAsians actively helped and volunteered in various activities organized during this unprecedented crisis.
2. Mahebourg Espoir- In collaboration with Round Table Mauritius & Club 41, vouchers for basic food/hygiene necessities will be distributed over a 12 months period to 29 families (131 individuals) on a monthly basis. These families are the beneficiaries of Mahebourg Espoir Education Center and were directly affected by the oil spill. Around MUR 1.4m worth of supplies were donated.
3. SOS Mangrove Programme - A collaboration with the NGO, Reef Conservation is underway for long-term monitoring and educational program that aims to study and restore mangrove forests around Mauritius. The Foundation will donate around MUR 1.3m to fund the various activities and scientific materials required for this project.

STAFF ENGAGEMENT

AfrAsia Foundation has always believed in reinforcing the link between AfrAsians and the community. Through its various initiatives, the Foundation promoted staff engagement and involvement in various CSR activities.

Last year, AfrAsians have participated in various programmes:

1. Movember initiative to raise funds for Link to Life
2. Volunteering for the making of boomersto protect our marine eco-system following the Wakashio disaster
3. Wish tree initiative to buy Christmas gifts for our AfrAsiaKids
4. 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 insurance, teachers' fees and other expenses). The Foundation matches the donation amount made under this programme.





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