

# SUSTAINABILITY REPORT 2020



**SBM**

**SBM HOLDINGS LTD**

# ABOUT THE SUSTAINABILITY REPORT

Our Sustainability Report should be read in conjunction with SBM Holdings Ltd Annual Report 2020. It provides insights into how we engage with our stakeholders; support our people and build their capabilities while preserving their safety and well-being; continue to promote gender equality; work hand in hand with communities for a positive impact and; build a sustainable business through investment in technology and innovation.

The information contained in our Sustainability Report covers the activities carried out by SBM Holdings Ltd and its subsidiaries (referred to as 'SBM', 'The Group' or 'SBM Group') during the period 01 January 2020 to 31 December 2020. It also provides an update of recent important events that occurred between 31 December 2020 and the reporting date.

This report mainly covers our social and environmental performance by providing examples of the responsible business practices we adopt, while a review of our financial and economic performance can be read in the SBM Holdings Ltd Annual Report 2020.

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# NAVIGATION ICONS

The icons below refer our readers to information across our reporting suite.



Read more in SBM Holdings Ltd  
Annual Report 2020

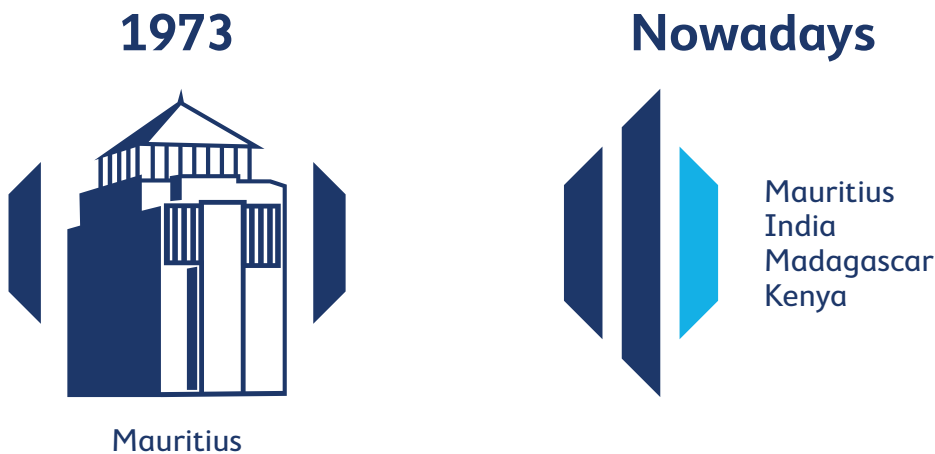


More content on our website  
[www.sbmgroup.mu](http://www.sbmgroup.mu)

# ABOUT SBM GROUP

SBM Holdings Ltd is one of the top listed entities on the Official Market of the Stock Exchange of Mauritius.

SBM’s journey started in 1973 as a local bank in Mauritius and it has, today, grown into a diversified financial institution that provides both banking as well as non-banking financial services while also being present in Kenya, India and Madagascar.



## MSCI ESG RATINGS

During the year 2020, SBM Holdings Ltd was rated ‘A’ on an industry-relative AAA-CCC scale by the MSCI as part of its ESG assessment.

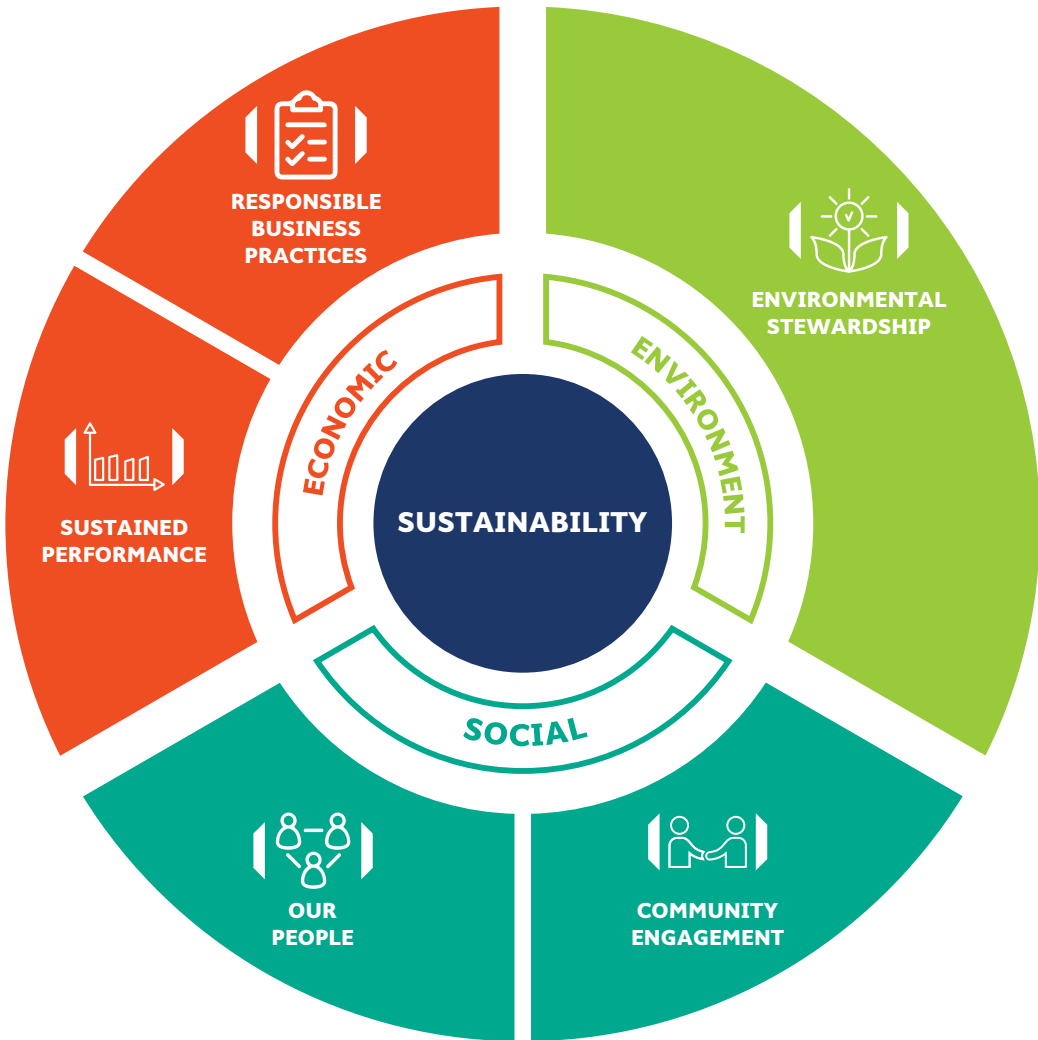
# MSCI ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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# OUR APPROACH TO SUSTAINABILITY



At SBM, we endorse sustainability through several key corporate actions. We aim to continuously grow as a resilient and diversified institution, and promote financial inclusion through our array of products and services that help our customers achieve their various financial needs. By so doing, we also thrive to be a responsible and sustainable business that contributes to the economic and social development of the communities in which we operate. We endeavour to create a conducive environment where our employees are treated with integrity and respect and can deliver their best. We also seek to preserve the environment to the best of our ability. In this wake, the Group has, since 2018, started to publish a Sustainability Report that reflects its will to pursue an integrated and sustainable journey.




During the year 2020, due to the impacts of the COVID-19 pandemic on our operations, businesses, and communities, we redirected our efforts to accompany our stakeholders through significant financial and other support measures. We have purposely focused on playing a key and active role as an essential services provider during the health and economic crisis by making efficient use of our resources for a meaningful and sustainable impact.

We invite you to read our Annual Report 2020 for more information on how the Group has been persevering during the pandemic.



# ENGAGING WITH OUR STAKEHOLDERS




As a responsible corporate citizen, we work very closely with our stakeholders to create mutual financial and social value. We provide below a snapshot of how we engage with our stakeholders.

Our Stakeholders	Their Contribution to Our Sustained Value Creation	Stakeholders' Expectations and Concerns	Our Response to Them	How We Engage with Them
 <b>Shareholders, Debt Holders and Investor Community</b>	<ul style="list-style-type: none"> <li>Shareholders, debt holders and potential investors are a key source of financial capital to support the business operations and sustain our growth</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable and attractive return on investment realised over time through dividends, interest and share price growth</li> <li>Strong leadership which provides strategic direction and ensures execution</li> <li>Focus on exemplary corporate governance and ethics</li> <li>Managing risk, capital and liquidity within an appropriate risk appetite</li> <li>Adoption of environmental, social and governance (ESG) practices</li> </ul>	<ul style="list-style-type: none"> <li>Clear financial targets are communicated and monitored by the Group Management Team which aim to increase profitability and improve key operational performance metrics</li> <li>The Board and its various Sub-Committees have oversight responsibilities in relation to risk management, corporate governance, and adherence to internal policies. The Board ensures that the appropriate strategies and decisions are being taken and adopted respectively for long term value creation</li> <li>No major shareholder's influence on operations</li> </ul>	<ul style="list-style-type: none"> <li>Publish interim results on a quarterly basis</li> <li>Stock Exchange announcements</li> <li>Annual Meeting</li> <li>Regular analyst briefings, calls and investor presentations</li> <li>Regular roadshows</li> <li>External newsletters</li> <li>The Group's website</li> <li>SBM Group's Investor Relations Team</li> <li>Reviews by rating agencies</li> </ul>
 <b>Customers</b>	<ul style="list-style-type: none"> <li>Customers avail of our products and services to meet their financial needs and provide the basis for our existence</li> </ul>	<ul style="list-style-type: none"> <li>Reliable client service, experience and quick turnaround time</li> <li>Enhanced customer-staff interactions</li> <li>Proper handling of complaints</li> <li>Access to financial services that are cost-effective, easy to use and convenient</li> <li>Innovative and tailor-made products that meet their financial needs</li> <li>Trading fairness</li> <li>Protection against fraud and safety of personal data (customer privacy and data security)</li> <li>Timely direct communications on changes</li> <li>Customer friendly and sophisticated branches</li> </ul>	<ul style="list-style-type: none"> <li>A unique customer service experience is provided via continuous investment in technology and innovation in addition to renovation of branches</li> <li>Expected employee behaviours are clearly articulated and related training programmes are rolled out in that respect</li> <li>New product and service offerings are launched based on customer feedback and market insights, ensuring accessibility to the customer</li> <li>Dedicated contact centre and complaints desk</li> <li>Regular awareness campaigns to customers with regard to cyber threats and prevention. Significant investment is made in secured IT systems and the Group is committed to protect the privacy of client data</li> <li>Guidelines to prevent the Sales Teams from mis-selling</li> <li>Customer feedback is collected through various channels including face-to-face interactions, social media, the dedicated contact centre and complaints desk</li> </ul>	<ul style="list-style-type: none"> <li>Physical and digital delivery channels</li> <li>Relationship managers, customer meetings and site visits</li> <li>Customer service and complaints management</li> <li>Events</li> <li>Promotional and marketing campaigns for our products and solutions offering</li> <li>Communication including electronic, phone calls amongst others</li> <li>Open days</li> <li>Media (including social media and website)</li> <li>Giveaways</li> </ul>
 <b>Employees and Directors</b>	<ul style="list-style-type: none"> <li>Employees and Directors supply the necessary skills and expertise to deliver on our promises to stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>A safe, stimulating and rewarding work environment with open communication</li> <li>Fair remuneration and benefits</li> <li>Opportunities for career and personal development</li> <li>Effective performance management and recognition</li> <li>Timely circulation of Board/Committees papers to enable informed and effective deliberations</li> </ul>	<ul style="list-style-type: none"> <li>Competitive remuneration and benefits</li> <li>Ongoing training and education</li> <li>There is open communication between employees and management</li> <li>Employee wellness programmes</li> <li>Performance management is integrated with development programmes for skills and personal development of employees, management and directors</li> <li>Findings from employee surveys are used to create tailored action plans to address areas needing improvement</li> <li>Collective bargaining agreement is in place</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing training including induction course and conferences</li> <li>Team engagement sessions</li> <li>Performance appraisal exercises including open discussion between employees and management</li> <li>Regular internal meetings and workshops</li> <li>CEO and other Executive Members roadshows (e.g. town-hall events)</li> <li>Regular employee engagement survey and feedback</li> <li>Internal newsletters and electronic communications</li> <li>Welfare activities</li> <li>Staff Children Education Fund</li> <li>Cultural events</li> <li>Promotion of gender equality</li> </ul>



# ENGAGING WITH OUR STAKEHOLDERS

(CONT'D)

Our Stakeholders	Their Contribution to Our Sustained Value Creation	Stakeholders' Expectations and Concerns	Our Response to Them	How We Engage with Them
<b>Government and Regulators</b> 	<ul style="list-style-type: none"> <li>Government and regulators provide us with our licenses and the regulatory frameworks within which the Group operates</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with relevant legislations and operating in a transparent manner</li> <li>Adherence to the systems, processes and technology installation edicts specified by them</li> </ul>	<ul style="list-style-type: none"> <li>Engage constructively on new policies and regulations affecting Group operations</li> <li>Compliance with existing rules and regulations</li> <li>Transparency in disclosure of any relevant information</li> <li>Ensure timely filing of reports and returns and payment of relevant fees and taxes</li> <li>Proper composition and well defined duties of the Board and Board Committees in place</li> <li>Fair business practices</li> <li>Continuous training to our employees to remain abreast of changes in legislations</li> <li>Installation of required regulatory applications and systems within stipulated timeframe</li> </ul>	<ul style="list-style-type: none"> <li>Onsite visits and compliance inspections</li> <li>Written communications</li> <li>Filing of returns and reports with all regulators</li> <li>Participation in forums, conferences and workshops</li> <li>Regular meetings with regulators</li> </ul>
<b>Suppliers and Strategic Partners</b> 	<ul style="list-style-type: none"> <li>Suppliers are critical for the proper conduct of our business and support us to deliver high quality and innovative products and services to our customers</li> <li>Suppliers provide systems support and help to fix systems-related issues</li> <li>They support us to comply with regulatory requirements</li> <li>They help us to put in place mechanisms to detect and prevent fraud</li> </ul>	<ul style="list-style-type: none"> <li>Fair and reasonable contract terms</li> <li>Timely payment and renewal of contract</li> <li>Trade fairness</li> <li>Timely decisions</li> <li>Understanding of business roadmap</li> <li>Good supplier relationship</li> </ul>	<ul style="list-style-type: none"> <li>Fair procurement practices</li> <li>Build and maintain professional relationship with suppliers and strategic partners through regular interaction</li> </ul>	<ul style="list-style-type: none"> <li>Expressions of interest</li> <li>Vendor assessments</li> <li>Procurement process</li> <li>Contract management and renewal</li> <li>Ongoing supplier relationship management, supplier visits and one-to-one meetings</li> <li>Fairs and exhibitions</li> <li>Incident handling and escalation</li> </ul>
<b>Communities</b> 	<ul style="list-style-type: none"> <li>Being actively engaged in the community is an effective way to hear from the people we serve and this enables us to grow further and achieve our goals</li> <li>Communities act as brand ambassadors for us</li> </ul>	<ul style="list-style-type: none"> <li>Contributing to the community at large by undertaking community development programmes in areas of need</li> <li>Empowering vulnerable groups</li> <li>Supporting the economic development of the country</li> </ul>	<ul style="list-style-type: none"> <li>Job creation</li> <li>Providing tools, resources and opportunities for vulnerable groups</li> <li>Investment and involvement in CSR projects</li> <li>Supporting initiatives bearing high impact on the society</li> <li>Sponsorships and partnerships</li> <li>We have an Environmental and Social Risk Policy which guides us for responsible business activities and which helps us balance the risks and opportunities for the communities we serve</li> <li>Promoting financial inclusion through the provision of banking services in underbanked and rural areas</li> </ul>	<ul style="list-style-type: none"> <li>CSR programmes</li> <li>Donations</li> <li>Sponsorships</li> <li>Voluntary staff engagement in the community</li> <li>Media coverage and other social networks</li> </ul>

# ENVIRONMENTAL CONSCIOUSNESS

SBM Group acknowledges stakeholders' interests in environmental, social and governance matters. Our commitment towards the environment is formalised through a group-wide Environmental and Social Risk Policy that applies a consistent methodology to understand, assess and consider environment and social risks in our decision making process.

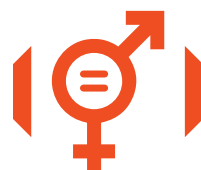
The Group strongly believes in making judicious use of natural resources and endeavours to protect and preserve the environment. We therefore seek to adopt sustainable initiatives to help reduce our ecological footprint. We also aim to promote sustainable development in Mauritius by regularly engaging with project owners throughout and after the completion of their eco-friendly projects. This is made possible thanks to our partnership with Agence Française de Développement (AFD) under the SUNREF (Sustainable Use of Natural Resources and Energy Finance) programme, which has, since 2009, been providing an interesting initiative to finance investments in projects related to:



**Renewable Energy and Energy Efficiency**



**Adaptation to Climate Change**



**Gender Equality**

Under AFD's lending programme, our clients benefit from subsidies and a wider product offering that allows them to invest in sustainable projects at a lower cost. To evaluate and benchmark the requests received for green financing, our Group has a transaction screening process that has been spelt out in line with AFD's standards and requirements. These include:

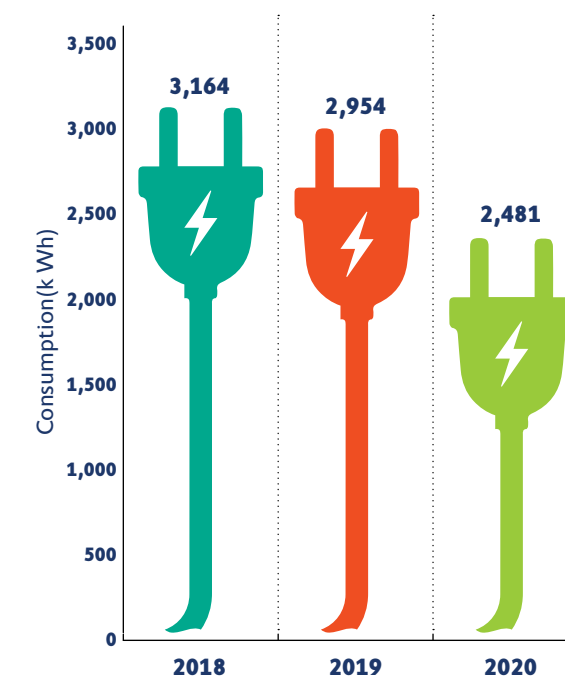
- The AFD Exclusion List
- The applicable national laws on environment, health, safety and social issues and other relevant standards established therein
- The International Finance Corporation (IFC) Performance Standards
- The Equator Principles

As part of the third phase of the SUNREF programme in Mauritius, the Group's subsidiary - SBM Bank (Mauritius) Ltd (SBMBM) - has been granted a third line of credit by the AFD which we are using to support sustainable development.

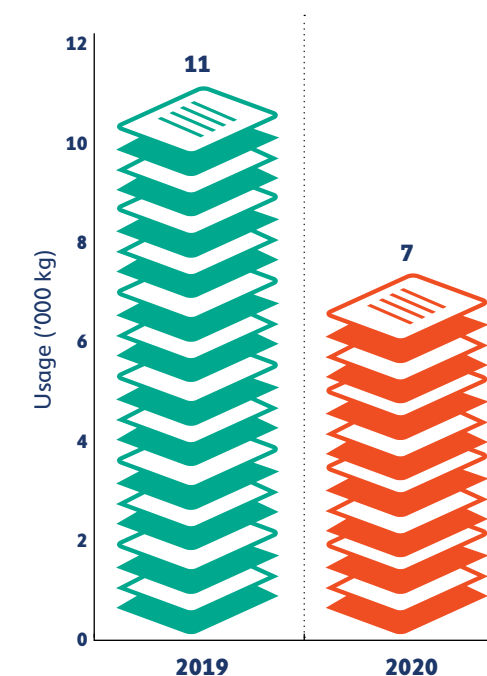
In line with its endeavour to protect the natural environment, SBM Group also regularly identifies and implements environmentally conscious initiatives for optimum use of resources especially water, energy, and paper usage. In 2020, SBM Bank (Mauritius) Ltd has continued its planned renovation of the SBM Tower and branches in Mauritius, in a phased manner, using latest technology and energy efficient materials. By so doing, it also intends to improve the customer experience.

We illustrate below the key highlights for 2020:

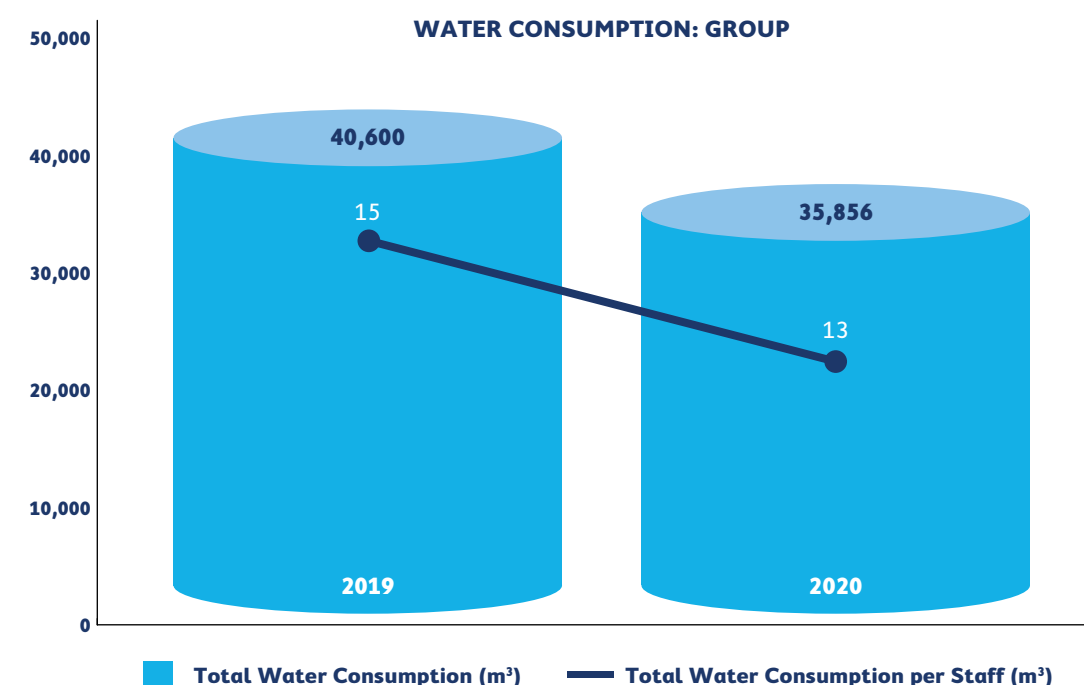
**ENERGY CONSUMPTION PER STAFF: GROUP**



**PAPER USAGE PER STAFF: GROUP**



**WATER CONSUMPTION: GROUP**



# OUR PEOPLE

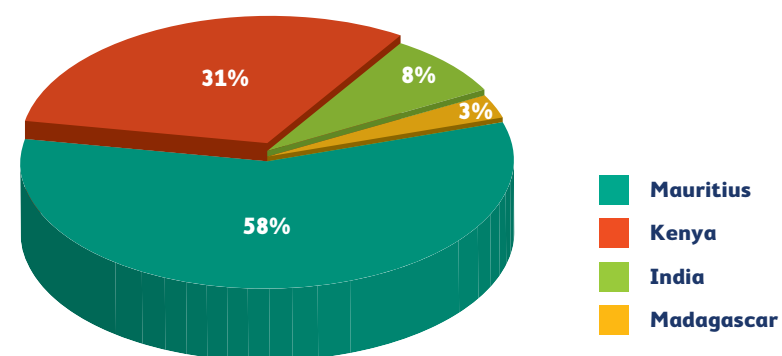
At SBM, our people remain at the heart of everything we do. The Group is an “equal opportunity employer” promoting diversity and inclusion. It also aims to become an employer of choice across all its operating entities.

SBM Group advocates a high-performance culture that encourages a supportive and collaborative environment across its various lines of businesses. Our employees are encouraged to demonstrate strong work ethics, commitment, accountability, and passion for excellence at all times. We leverage on the strength of our human capital to create value in everything we do and make a difference through sustainable socio-economic development.

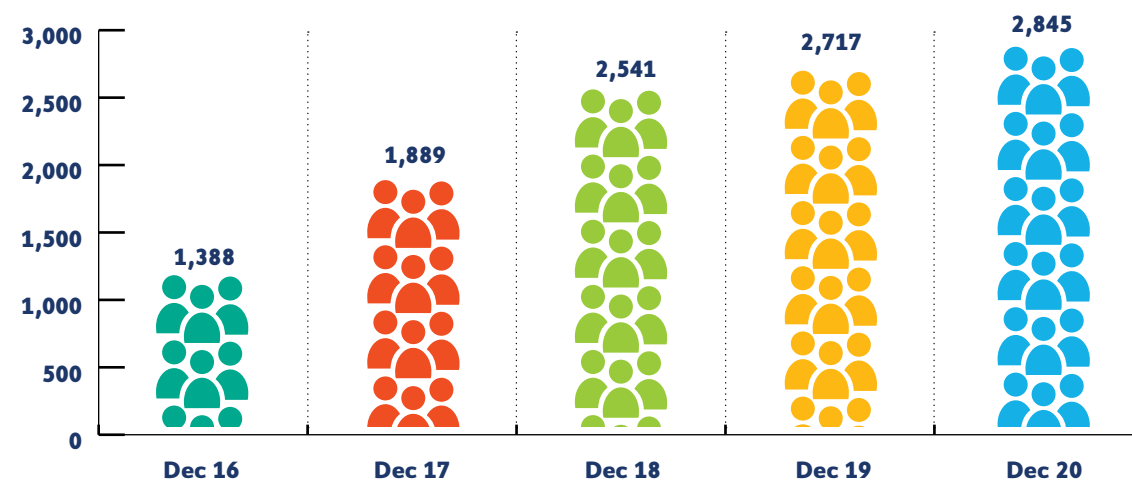
2020 has been an exceptional year for our staff members, who have showcased their courage, determination, commitment, and resilience by delivering remarkable customer service during the COVID-19 pandemic in a heroic manner.

Over the years, SBM has attracted and built a diverse talent base across its countries of operations. As at 31 December 2020, the Group had a total number of 2,845 employees, with Mauritius representing 58% of the total workforce population, followed by Kenya with 31%.

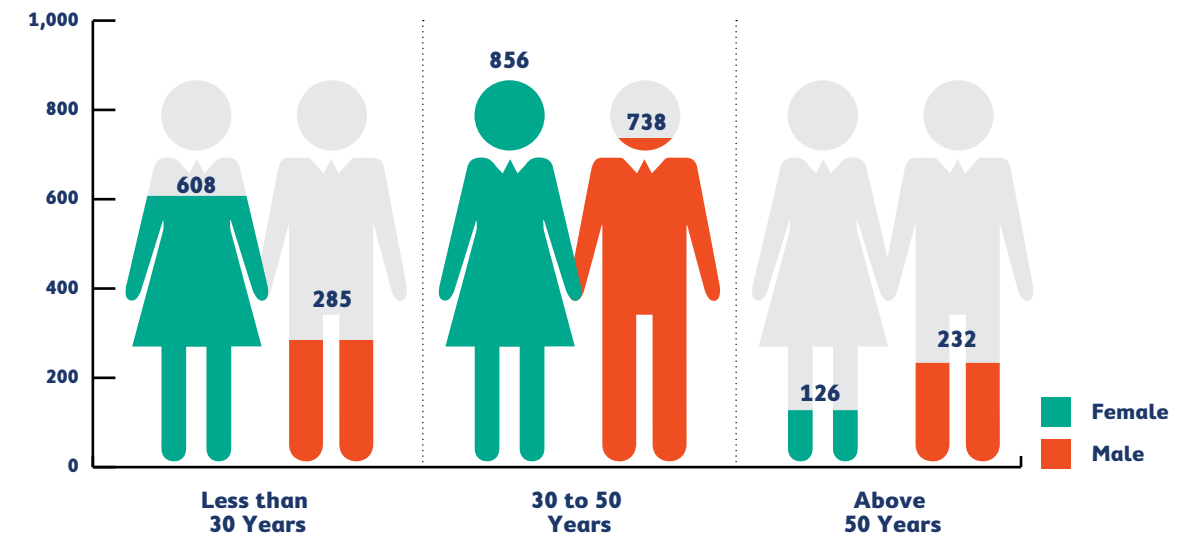
**SBM GROUP'S HEADCOUNT**



**A GROWING TALENT BASE OVER THE YEARS**



**AGE AND GENDER DEMOGRAPHICS**



## REDEFINING EMPLOYEE EXPERIENCE IN THE NEW NORMAL

The safety and well-being of our employees remain an all-time priority. During the COVID-19 pandemic, especially the lockdown period, many of our employees experienced a change in their working environment overnight, with some having to continue to serve our customers by working onsite, while many worked from home. Our HR Teams regularly communicated with and supported our staff members, especially the front liners, during those testing times.

To adapt to the changes, various initiatives were carried out across the Group's entities to keep our employees connected, motivated, and engaged in a virtual manner so as to ensure their safety through limited physical interaction. These activities mainly included online sessions on:



For more information on how the Group persevered during the COVID-19 pandemic, please refer to pages 32 to 37 of our Annual Report 2020.

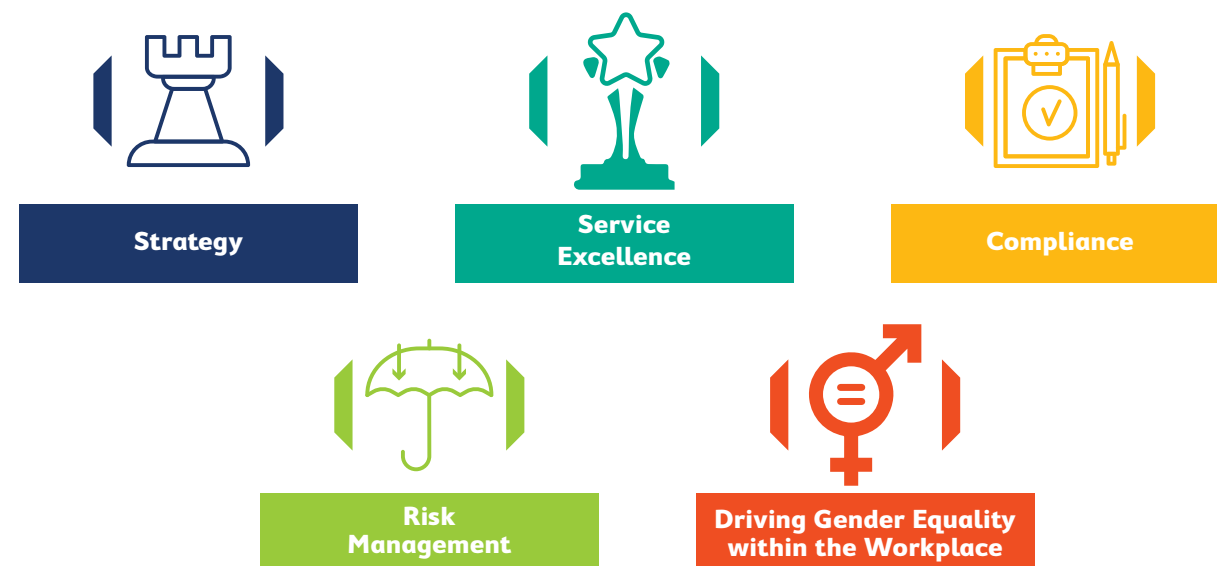
# OUR PEOPLE

(CONT'D)

## CAPACITY BUILDING: CULTIVATING OUR HUMAN CAPITAL

Our people being our most valuable asset, we cultivate human capital through tailored learning and development plans. To ensure that we are delivering on the Group's strategy and purpose, our training approach is shaped in collaboration with the respective Chief Executive Officers of each entity as well as the Senior Management Teams and the respective Business Heads. The training programs are designed and facilitated by the SBM Academy, the Group's dedicated learning and development cluster, to ensure that the required knowledge, techniques, and behavioural skills are provided to the Group's employees.

In 2020, the COVID-19 pandemic has impacted our training plan with the stringent lockdown and sanitary measures put in place during the year. We, nonetheless, successfully switched some of our planned training sessions from traditional classroom training to online training, delivered by external facilitators. Our training plan focused on five key employee development areas, namely:



## OUR YEAR AT A GLANCE



STRATEGY

In 2020, Directors and selected management personnel from all the entities of the Group were brought together for an extensive and interactive seminar led by an international expert on strategy formulation, strategic planning, strategy alignment and execution. The program was tailored to ensure that Directors and Senior Executives are up to date with best practices and equipped with appropriate tools and methodologies, such as the balanced scorecard, to conduct strategic planning and strategy management. Besides being provided with real-life examples from other companies around the world, the audience was given the opportunity to apply the teachings to the context of SBM across a series of 3 training sessions.



SERVICE EXCELLENCE

With the aim to instil a service driven culture and make service excellence an integral part of our daily activities, entities of the Group have tailored a program to ensure specific skills development and set out related standards and accountability that need to be adhered to so as to improve customer experience and loyalty. The Group also has a Service Excellence Staff Charter that guides employees on the principles and practices to be adopted to provide a seamless banking experience to its customers.



COMPLIANCE

During the year 2020, SBM Academy has redesigned SBM Bank (Mauritius) Ltd's Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) mandatory training in accordance with the new guideline on 'Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation' issued by the Bank of Mauritius. Structured training sessions were tailored and delivered to employees and Directors. Most of these sessions were conducted through our dedicated Learning Management System, followed by an assessment.

Our Audit and Compliance Teams also attended training with external service providers to further equip them with the required knowhow and expertise to carry out their respective functions.



RISK MANAGEMENT

To promote a strong risk culture across the Group, several awareness sessions were conducted to familiarise and enhance employees' and Directors' knowledge on the Group's Risk Management Framework and risk management principles respectively. Besides internal training sessions, the Group also partnered with an international organisation to run a customised two-year credit risk management program based on specific business needs. A comprehensive fraud training program was also carried out during the year to strengthen anti-fraud capabilities.

Furthermore, to promote awareness on cybersecurity, a security awareness program was rolled out across the organisation to educate employees and Directors on cyber risks, cyber threats, and the precautionary measures to be taken to protect themselves and the Group. This should help improve SBM's cyber resilience, especially when employees work from home. Regular communiqués have also been issued to our customers on prevailing cyber security threats.



DRIVING GENDER EQUALITY WITHIN THE WORKPLACE

Whilst SBM Group actively promotes sustainable economic, social, and environmental actions, it also advocates gender equality. In this vein, a special initiative - 'Women on the Move' - was officially launched on 09 December 2020. 'Women on the Move' is a platform that aims to facilitate sharing of knowledge and experiences by our female colleagues with other women as well as with their male counterparts to enable them to build up their potential for professional development and growth.



## OUR PEOPLE (CONT'D)

### CAREER GUIDANCE FOR GEN Z

In collaboration with the Careers Guidance Service Unit, which operates under the aegis of the Ministry of Education and Human Resources, Tertiary Education and Scientific Research, the SBM Academy welcomed 146 Generation Z (Gen Z) students for a career guidance day on the banking and financial services sector.



### 2021 KEY PRIORITIES

The main focus for the year 2021 is to ensure a work environment that stimulates team spirit, engagement, trust and achievement among employees. As a Group, we are laying emphasis on succession planning and on building a solid talent pool. We are also looking into further refining the Group's compensation structure in line with market trends and local laws and regulations.

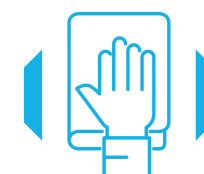
In line with the Group's strategic objectives, capacity building and employee engagement initiatives will also be undertaken following the conduct of a group-wide employee engagement survey planned during 2021.

## OUR COMMUNITY ENGAGEMENT

### SBM GROUP'S APPROACH TO CORPORATE SOCIAL RESPONSIBILITY

At SBM, we believe that the right opportunity can unlock many doors and significantly support social and economic empowerment. SBM aims to contribute to the sustainable development of the community by providing people with the means to learn, grow and work towards a better future.

SBM Foundation drives Corporate Social Responsibility (CSR) within the SBM Group, fostering socially responsible activities across its different entities by supporting high-impact social projects for the benefit of needy and vulnerable groups as well as the broader community. We aim to foster an inclusive society by focusing on:



**Education and Empowerment**



**Providing Tools to Promote Employability**



**Combatting Social Ills with the aim of Alleviating Poverty**

Today, thanks to the various CSR initiatives we have carried out over the years, it is estimated that some 10,000 persons are now living in better conditions than before. Education being a powerful tool to help in empowering youngsters to become learned and responsible citizens in society, SBM Group allocates a large share of its CSR funding to the SBM Scholarship Scheme. Through this tailored and unique scholarship scheme, we endeavour to provide financial support to bright and needy students to help them pursue their studies and passion.

The Group also funds various projects of non-governmental organisations (NGOs)/social partners, while its employees remain actively involved in voluntary charity work of their choice.

### CSR ACTIVITIES: MAURITIUS

#### Supporting Social Partners for a Sustainable Impact

Our attempt to break the vicious cycle of poverty is multi-pronged. The Group has, throughout the years, funded and assisted various social partners/NGO projects across the following themes:



**Learning through Play: Sports, Music and Culture**



**Women Empowerment and Child Care**



**Education for Disabled Persons**



**Education for out-of-school Youth**



# OUR COMMUNITY ENGAGEMENT

(CONT'D)

## A. Learning through Play: Sports, Music and Culture

- **Abaim**  
Abaim adopts a holistic approach to poverty alleviation, acquisition of skills and empowerment through music. The SBM Foundation finances their Saturday Care and Sunday Care projects which provide children from less fortunate areas with the opportunity to acquire other skills through play.
- **Mo'Zar Espace Artistic**  
This association is one of the NGOs which makes use of music to enable youngsters to acquire skills to get out of poverty. The SBM Foundation provides its financial support for the conduct of music classes. The association differentiates itself from others through its beneficiaries who participate in the prestigious exams of the Royal School of Music. Many of the beneficiaries are now professionals operating in the hotel sector.
- **Centre of Learning**  
This association uses music as a tool to impart knowledge to help youngsters get out of poverty. It also provides computer literacy courses and adult literacy programmes, which are financed by the SBM Foundation.

## B. Women Empowerment and Child Care

- **Terre de Paix**  
The NGO Terre de Paix provides early childhood care, education, and development within a safe environment. The SBM Foundation is financially supporting their current 'Early Childhood Services' project, which provides better educational opportunity to infants and children from vulnerable groups. This, in turn, enables their mothers to take up paid employment to improve their family's economic well-being.
- **SOS Poverty**  
The SBM Foundation is funding this NGO to provide free and quality childcare to vulnerable children, aged 3 months to 3 years old, in a safe and stimulating environment. By so doing, mothers can undertake paid employment to bring additional income to their families, which helps break the vicious cycle of poverty.
- **Falcon Citizens League**  
Falcon Citizens League focuses on agriculture as a means to alleviate poverty. Kitchen gardening programs are offered to women from underprivileged regions. The association also follows the UN Decade of Family Farming 2019-2028 action plan to train young people and women on food security in the agricultural sector in Mauritius. The SBM Foundation is assisting this association to offer kitchen gardening programs to help women and young people to learn how to produce their own food and how to sell part of their harvest to generate income.

## C. Education for Disabled Persons

- **Association des Parents pour la Réhabilitation d'Infirmes Moteurs**  
APRIM provides day care facilities for children and young adults affected by cerebral palsy. The SBM Foundation is supporting their initiative by catering for additional rehabilitation services provided by occupational therapists.
- **Centre pour l'Education et le Progrès des Enfants Handicapés**  
CEPEH provides educational facilities to disabled children, which is being supported financially by the SBM Foundation.
- **Association of Disability Service Providers**  
Assisted financially by the SBM Foundation, ADSP provides the services of occupational therapists as well as speech and language therapists to disabled children attending the school for special needs.
- **Angel Special School and Welfare Association**  
This association helps to empower children and parents with special needs in Mauritius and Rodrigues through therapy services, rehabilitation services, educational and life skills program, all of which are supported by the SBM Foundation.
- **Association de Parents d'Enfants Inadaptés de l'Ile Maurice**  
The SBM Foundation supports APEIM through the provision of services to conduct early intervention for children with developmental and intellectual disabilities.
- **Autisme Maurice**  
In addition to running a diagnosis centre to identify autism at an early age, this association provides support and training to parents. The SBM Foundation contributes to this laudable initiative by providing funds for the specialised services at the Autism SEN Units.
- **EDYCS Epilepsy Group**  
This NGO is specialised in supporting epilepsy patients through various services such as: medical, psychological and therapeutic support; a special school; community educational services; and entrepreneurship programs amongst others. The SBM Foundation is offering financial assistance to provide learning skills and boost the self-confidence of the children and adolescents who have epilepsy.
- **Joie de Vivre Universelle**  
The NGO Joie de Vivre Universelle aims to provide appropriate educational facilities for children suffering from Down's syndrome, autistic spectrum disorder or attention deficit hyperactivity disorder through specialised education. The SBM Foundation is supporting the setting up of a holiday camp program for therapeutic outings.

# OUR COMMUNITY ENGAGEMENT

(CONT'D)

## D. Education for out-of-school Youth

- **Adolescent Non Formal Education Network**

ANFEN is a network of 17 centres promoting informal education programs for school dropouts. The SBM Foundation is supporting this NGO in creating equal access for low academic achievers and unemployed youth by providing technical training to them.

- **Noyau Social Cité La Cure (Teen Hope)**

This NGO provides assistance to adolescents aged between 12 to 16 years old who are not attending school. The association helps them to develop their literacy, numeracy and life skills to become responsible citizens of the society. The SBM Foundation provides its financial support to this NGO for its training activities.

## SBM Scholarship Scheme

This year marks the 11<sup>th</sup> edition of our flagship CSR initiative - the SBM Scholarship Scheme. The new edition was launched at SBM Tower by our Group Chairman, Mr Sattar Hajee Abdoula, and Mr Basdeo Rajee, Chairman of the SBM Foundation with the participation of some previous beneficiaries of the scheme.

Education being a means to empower young people to become active participants in the transformation of the fast-evolving society, the scheme aims to provide the right opportunity to bright students facing financial constraints. To date, SBM Group remains the largest provider of scholarships to needy students. Since 2010, we have provided more than 2,600 scholarships (including some 60 Rodrigues Island students) with some 1,400 scholarships for the tertiary sector and more than 1,200 for the vocational and technical sector, as well as 30 scholarships for the special scheme of the MCCI Business School. The scheme covers full-time undergraduate courses at Higher Education Commission (HEC) recognised institutions in Mauritius as well as vocational courses run at any of the Mauritius Institute of Training and Development (MITD) centres. Students with special needs can also avail of our scholarship.



## Employee Volunteering CSR Activities funded by SBM Foundation

The Group encourages its employees to carry out voluntary CSR activities of their choice. These initiatives are financially supported by the SBM Foundation and staff are granted time off work to participate.

- **Children Foundation**

In February 2020, the SBM Foundation supported our local team members from the Vacoas Service Unit to provide lunch to the youngsters of the Children Foundation, situated in the locality. Interactive activities were also organised for the children, with our team spending quality time with the little ones. The association provides developmental education and specialised care and facilities to the children coming from families with difficulties.



- **ADSP**

Following the successful revamp of the playground of the Association of Disability Service Providers (ADSP) in 2018, the SBM Foundation has once again supported the Strategy and Research Team to renovate the association's classrooms in February 2020. Educational materials were offered to the children and our team spent a full day entertaining them with fun learning activities, which were welcomed with bright smiles.





# OUR COMMUNITY ENGAGEMENT

## (CONT'D)

- **Human Service Trust**

The SBM Foundation also supported the SME Team in January 2020 for a CSR activity at the Human Service Trust situated at Calebasses. Gift packs comprised of daily basic items were offered to the residents who were also entertained with live music, food and beverages. Our team spent priceless moments with the residents of this Home.



- **Hospice Mère Teresa**

Our Business Process Engineering and Data Management Teams also organised a CSR activity at the Hospice Mère Teresa and the St. Anne Home located at Roche Bois and Vacoas respectively.

Non-perishable items were donated to the Hospice Mère Teresa. Amidst the overflowing joy of togetherness and sharing of refreshments, the staff members also entertained the residents with live music.



- **St. Anne Home**

The St. Anne Home caters for neglected women who have disabilities and are over 30 years old. Our Business Process Engineering Team also chose to spend some quality time with the residents to shower them with love, affection and care.



### Sponsoring the Family Farming Project of Falcon Citizens League

For the official launch of the Family Farming pilot project in December 2020, a one-day event was organised at 16<sup>ème</sup> Mille Community Centre, Forest Side, with the participation of families from Cité Anoushka. 14 families were shortlisted to pilot this project to help reduce poverty and overcome stigmatisation. The Chairman of the SBM Foundation and our CSR Team distributed toolkits, compost bins and other token gifts to these families.





# OUR COMMUNITY ENGAGEMENT

(CONT'D)

## CSR ACTIVITIES: OVERSEAS ENTITIES

### Kenya

In May 2020, Mr Moezz Mir, the Chief Executive Officer of SBM Bank (Kenya) Limited (SBMBK), together with Mr Sharad Rao, Board Member of SBMBK, donated food packs worth KES 1 million to Shining Hope for Communities (SHOFCO) on behalf of the Bank. SHOFCO is a grassroots movement that is setting up sanitisation units in slum communities.



Similarly, the SBMBK Team also visited the New Life Home Trust, located in Nairobi, in May 2020. This community home currently caters for 46 children under 3 years of age. The Bank donated KES 200,000 to the home to help reduce the spread of COVID-19. The Bank was represented by Ms Beth Muthui, Vice President and Head of Consumer Banking, and Janet Mutinda, National Director of New Life Home Trust.



### India

SBM Bank (India) Limited collaborated with local partners in Palghar to sponsor the distribution of food packets and other essentials to poor and vulnerable families in this area during India's pandemic lockdown period.



### Madagascar

Employees of Banque SBM Madagascar SA (BSBMM) have contributed to a 'Basket Fund' aimed at helping more than 100,000 persons directly impacted by the COVID-19 pandemic. They participated in this laudable initiative through the Association Professionnelle des Banques (APB), member of Groupement des Entreprises de Madagascar (GEM).

Furthermore, BSBMM organised two staff involvement activities during the Christmas festive period 2020. The first initiative was organised jointly with the Rotary Club Antananarivo Ivandry. BSBMM was represented by Mr Youdananda Munian, Officer-in-Charge, Head of Credit Risk & MLRO, his assistant Ms Hasinantenaina Eva Andrianjafimanana and the Bank's local CSR Team. A Resto du Coeur was organised to offer balanced meals to some 500 poor and underprivileged persons in front of the head office of BSBMM and the office of Fokontany of Antsahavola.



# OUR COMMUNITY ENGAGEMENT

(CONT'D)

The BSBMM Team also organised Noel Pour Tous to offer warm meals, candies and gifts to some 200 homeless children and families who live in the vicinity of the Bank's head office. Games and other fun activities were organised for the kids, followed by a special animation by musicians.



## Recognition

Our commitment and hard work to deliver on our CSR initiatives were recognised at international level in 2020. We are pleased to share that we have been awarded:



## THE GLOBAL ECONOMICS AWARDS 2020

**Best CSR Holding Company - Mauritius**

# DELIVERING BUSINESS VALUE THROUGH DIGITAL TRANSFORMATION

Over the years, SBM has invested in new technologies that have allowed it to digitally transform the way it does business and enhance customer experience. The Group increasingly aims to adopt innovative and agile business practices that contribute to the value it creates for its stakeholders.

SBM is also looking for avenues towards synergising its IT platform across its entities to adopt a sustainable model that helps contain costs, optimise resources, and embrace a collaborative model to build and deliver a viable eco-system. Our Information Technology and Information System Policies have been designed in line with this objective to ensure a safe and secure environment when engaging with our stakeholders. Moreover, all our data centres and infrastructure equipment currently comply with the latest international recommended compliance standards which, in line with best sustainable practices, promote usage of green equipment designed for maximum energy efficiency and minimum environmental impact.

During the reporting year, several IT initiatives were carried out across the Group. Some of them are listed below:

## Mauritius



- Launch of SBM easy-pay, an online payment solution rolled out during the national lockdown. SBM easy-pay aims to facilitate merchant payments anytime, anywhere and is available on SBM's Internet Banking platform and Mobile Banking application.
- Launch of a unique and free mobile application - SBM Amigos - designed and developed in-house to engage with children of different age groups in a fun, cool and secure way.
- Implementation of Remote Cheque Truncation for corporate clients to send their cheques digitally, which eliminates movement of physical cheques and allows customers to benefit from same day clearing.
- Digitalisation of the Direct Debit Scheme for corporate customers, allowing them to submit their mandates and payment files electronically, which consequently contributes to reduce paper usage and storage.
- Implementation of SWIFT Payment Control, which supplements the existing fraud prevention controls and mitigates the threat of fraudulent attacks by detecting and preventing high-risk payments and supporting recovery. It combines real-time monitoring, alerting, and blocking of sent payments which consolidates the Bank's payment ecosystem.
- Joined the SWIFT Global Payment Innovation (SWIFT GPI) initiative to meet the increasing requirements of corporates and market infrastructures where there is a need for fast, transparent, and trackable cross-border payments. The SWIFT GPI gives the Bank the advantage to: track payments end to end in real time; effect international payments in a fraction of time; provide visibility on the Bank's fees charged and foreign exchange rates applied; improve cash forecasting; and optimise customers' liquidity.



# DELIVERING BUSINESS VALUE THROUGH DIGITAL TRANSFORMATION (CONT'D)

- Implementation of an automation process for corporate statements, which are now sent to the corporates/management companies via a secure file transfer.
- Launch of SBMmybox, an easy file transfer platform to receive and send large confidential files either internally or externally. It is a browser-based application that is hosted in-house, which is available on the Bank's network for its employees and via the internet for authorised business partners like service providers and external auditors. It provides for 2-factor authentication, encrypted file transfers, password protection and audit trail.
- Upgraded the Bank's virtualisation platform on newer hardware technologies. This has allowed SBM to reduce the pool of servers in its data centres, hence contributing to reduce electrical power consumption.
- Implemented the Visa Consumer Authentication Service (VCAS), a data-driven hosted solution designed to support a card issuer's authentication strategies in terms of security protocol to prevent fraud for online debit, credit, and prepaid card transactions. VCAS makes authentication fast and secure while limiting friction for a better cardholder experience. As an added security measure, VCAS sends a one-time password to the customer by email or SMS for all online purchases.
- Launch of a new, modern, and dedicated private banking and wealth management website that offers a classy and user-friendly interface. Through this website, customers can: schedule appointments with Relationship Managers and Private Bankers; quickly access the Private Wealth, Mastercard Connect and Internet Banking portals; and access the Bank's product offering and download brochures.
- Strengthened and enhanced the information security posture of the Bank by upgrading and introducing latest technologies.



- Implemented a Customer Relationship Management suite with key features like 360-degree view of customer information and relationship details, enabling the Bank to offer a tailored and enhanced customer experience.
- Launched a mobile application providing customers with convenient banking at their fingertips.
- Partnered with leading Fintech companies to onboard new customers and propose a variety of products to geographical regions that have few physical branches.

## Madagascar



- BSBMM has connected with the new Credit Information Bureau, a project initiated by the Central Bank of Madagascar, to contribute to the digitalisation of Madagascar's financial sector, improve credit assessment and monitoring, and promote financial inclusion in the country.

## Kenya



- Enhanced the security for online and e-commerce transactions by implementing Visa 3-D Secure for SBM Visa cardholders.
- Implemented IT security tools to strengthen the Bank's cyber security measures.
- Increased the Bank's ATM functionalities to accept non-SBM Visa cards.
- Upgraded the hardware platforms for critical banking systems.

## LOOKING AHEAD

SBM Group remains committed to working side by side with its stakeholders, both on the economic and social fronts, to provide them with the required support to aspire to a sustainable future amid the current pandemic. SBM will continue to adopt responsible business practices for a positive social, economic, and environmental impact.



### REACH OUT TO US

We welcome and value our stakeholders' feedback. Please share your views on our Sustainability Report on [investor.relations@sbmgroup.mu](mailto:investor.relations@sbmgroup.mu)

# LIST OF ABBREVIATIONS

ADSP	- Association of Disability Service Providers
AFD	- Agence Française de Développement
AML/CFT	- Anti-Money Laundering and Combating the Financing of Terrorism
ANFEN	- Adolescent Non Formal Education Network
APB	- Association Professionnelle des Banques
APEIM	- Association de Parents d'Enfants Inadaptés de l'Ile Maurice
APRIM	- Association des Parents pour la Réhabilitation d'Infirmes Moteurs
ATM	- Automated Teller Machine
BSBMM	- Banque SBM Madagascar SA
CEO	- Chief Executive Officer
CEPEH	- Centre pour l'Education et le Progrès des Enfants Handicapés
CSR	- Corporate Social Responsibility
EDYCS	- Educational Development Youth Consultancy Services
ESG	- Environmental, Social and Governance
GEM	- Groupement des Entreprises de Madagascar
Gen Z	- Generation Z
GPI	- Global Payment Innovation
HEC	- Higher Education Commission
HR	- Human Resources
IFC	- International Finance Corporation
IT	- Information Technology
KES	- Kenyan Shilling
MITD	- Mauritius Institute of Training and Development
MUR	- Mauritian Rupee
NGO	- Non-Governmental Organisation
SBM/The Group/ SBM Group	- SBM Holdings Ltd and its subsidiaries
SBMBK	- SBM Bank (Kenya) Limited
SBMBM	- SBM Bank (Mauritius) Ltd
SEN	- Special Education Needs
SHOFCO	- Shining Hope for Communities
SME	- Small and Medium Enterprises
SMS	- Short Message Service
SUNREF	- Sustainable Use of Natural Resources and Energy Finance
SWIFT	- Society for Worldwide Interbank Financial Telecommunication Code
UN	- United Nations
VCAS	- Visa Consumer Authentication Service



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