MATERIALITY ASSESSMENT

This year, AfrAsia Bank Limited has started implementing its strategy to engage with its stakeholders on key sustainability issues. A first step in this direction is our Materiality Assessment. This exercise is designed to gather insight on how important specific Environment, Social and Governance (ESG) issues are to our stakeholders. These insights are then used to guide our reporting and communication strategies, and determine our sustainability priorities.

Methodology

We have adopted a very simple methodology to carry out the Materiality Assessment. All our stakeholders and senior management were asked to complete an online survey, which required them to rate different sustainability topics.

Given that this was a relatively new exercise and that several of our stakeholders are still unfamiliar with the concept of sustainability, the questions were kept simple and jargon-free.

STEP 1:

Identify sustainability topics relevant to our stakeholders and design questions based on them. These topics were determined using the GRI, IR and UN Global Compacts.

STEP 2:

Devise two surveys covering the same topics.

A. Senior management – Questions to determine if we are managing these issues effectively

B. Stakeholders – Questions to determine the importance of those topics in their decision to work with AfrAsia

STEP 3:

Send out surveys to senior management and stakeholders

STEP 4:

Statistical Analysis of the results

STEP 5:

Results validated by Head of Corporate Sustainability & CSR

MATERIALITY ASSESSMENT (CONTINUED)

Sample size

Our sample size for this year was very limited. This year, the focus was on engaging with the different stakeholders. Hence, the survey was sent to a limited number of stakeholders in order to gather their insights.

Stakeholder Groups contacted
Customers
Shareholders/Investors
Employees
Society (e.g. NGOs, associations)
Suppliers & Service Provider
Government & Regulators
Media

On behalf of AfrAsia Bank, we asked the management team to respond to the same survey as the one sent to the stakeholders. However, the questions were rephrased in order to reflect to which extent AfrAsia Bank is currently addressing those same elements.

The way forward

This survey represents our first concrete step in engaging with all our stakeholders on sustainability topics. Our next step in this direction is to improve our methodology in creating the Materiality Matrix.

Several key improvement areas were identified to achieve this goal:

1. Improve the complexity of questions (Better alignment with Global Reporting Initiative);

2. Conduct face-to-face workshops with each category of stakeholders to find a consensus on a score for each topic (rather than an e-survey);

3. Use variance and standard deviations to increase the robustness and reliability of our scoring methodology;

4. Our sample will now be more representative of the population of each category of stakeholders.

RESULTS & ANALYSIS

In order to analyse the responses of the survey, two methodologies were applied. In both cases, an average was done for each question asked to the senior management of AfrAsia Bank, which was used to plot the point on the X-Axis. The variation between the two methodologies lies in the way the responses of the stakeholders were analysed.

Method A simply looked at the average of the scores given by all stakeholders per question. This allowed us to have an estimate of how important a particular topic is for all stakeholders.

Method B was slightly more complicated whereby we calculated the average of the scores per question for each stakeholder group contacted for the survey. And we further did an average of those different scores in order to have one single score per question.

A comparison was done between the two methodologies and no significant variation was found. We, however, preferred Method B as it removed the bias of having more participants in one stakeholder group i.e. we gave equal importance to Customers, Shareholders/Investors, Employees, Society (NGOs, Associations), Supplier & Service Provider, Government & Regulators, Media.

Importance of topic stakeholders

Data Confidentiality

Labour & Human Rights Law

IT Landscape

Ethics and Compliance

Market Share

Customer Satisfaction

Career Management & Training

Paper Consumption

Green Supply Chain

Diversity

AfrAsia Foundation/CSR

Branding

Health & Safety

Profit

Anti-Discrimination practices

Supply Chain and Labour & Human Rights

Energy Consumption

Quality of our services

Waste Management

Employee Welfare

Green Finance

Extent to which topic is being addressed at AfrAsia