



STRATEGY REPORT

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Logidis' new Warehouse Management System will support the business in improving its competitive edge and reaching the next level of excellence. Information will be available in real-time for operational and management teams, as well as for customers. The new paperless system eliminates laborious manual processes, increasing productivity levels.

Interview with the Group CEO

12.3 min

Investing for sustainable growth



It's been three years since the creation of IBL Ltd. Are you satisfied with the Group's progress?

Overall, IBL has had a satisfactory year. We navigate a complex and volatile environment with uncertain market conditions; yet, our Group achieved another solid year of growth. We also delivered on more than 85% of the strategic initiatives set out in the three-year strategic plan we developed in 2016 with the collaboration of McKinsey. Our aim remains to strengthen IBL's Mauritian core while expanding our regional and international activities, positioning ourselves as a leading diversified Group able to create sustainable value for all our stakeholders. Our ability to deliver on this global strategy depends on our capacity to transform our businesses through three pillars of growth: a Human Capital strategy that strengthens our capabilities, a Digital Transformation strategy to drive customer engagement and accelerate our growth, and a sustainability approach that reinforces our commitment towards the Planet and our communities.



Our aim remains to strengthen IBL's Mauritian core while expanding our regional and international activities, positioning ourselves as a leading diversified Group able to create sustainable value for all our stakeholders.

We saw a drop in profitability mainly as a result of one-off gains recorded last year following the disposal of our stake in ABAX, and a significant non-recurring write down in the value of assets of our associate, Alteo, which adversely affected the current year results. Group turnover increased by 7% and was matched by a growth in underlying profits of 8% compared to last year. The latter was subdued by challenges experienced mainly in our Retail, Insurance and Contracting businesses. We are confident that the decisive steps we are taking will reap benefits in the mid to long term. We are balancing consistency and agility to move forward with the right strategies for the transformation of our businesses. Our ability to consistently deliver sustainable results is also evidenced by our performance on the stock market: our share price has seen an 8% year-on-year growth, and more than 100% growth since our listing as an amalgamated Group back in July 2016.

Have any major transactions affected the Group's results this year?

IBL announced and executed several major strategic transactions that strengthened our capabilities across our nine clusters.

Locally:

- Following the acquisition of Monoprix in Mauritius last year, IBL acquired Shoprite in Port-Louis and Trianon, and rebranded Monoprix to Winner's. Additionally, we converted Shoprite Trianon into a Winner's hypermarket and launched a new e-commerce platform for the brand. Though these transactions required significant investment, resulting in lower earnings, it helped us consolidate our Retail segment and strengthen our position as Mauritian consumers' partner of choice over the long term.
- Following a major restructuring, our BrandActiv and HealthActiv businesses are performing well. Seven pharmacies have been rebranded and have introduced an innovative self-service concept, enabling us to stay ahead of the competition.
- IBL recently announced its intention to acquire General Construction Co Ltd, one of the country's leading civil engineering, project management and construction businesses. Once we are granted the relevant authorisations and finalise the procedures, this will enhance the vertical integration of our Building & Engineering cluster and reinforce our presence in an industry that is experiencing sustained growth.

Regionally:

- Our Life cluster is currently implementing a new strategy, developed in collaboration with Global Strategy consulting firm, Roland Berger. Notable transactions in 2018-19 include the sale of Proximed to dedicate more resources to "the professions of the future" and implement our vision of becoming a Health & Wellness destination. CIDP Holding, which recorded losses last year, has bounced back to profitability, largely contributing to our Life cluster's upward trend.
- CNOI is pursuing its expansion plan, having just signed the lease for the land adjacent to the current facility. It recorded solid business within its core activity, offsetting the impact of lower shipbuilding activities. A succession plan is now in place, and Mr Franck Piriou has taken over as CEO as of 1 September 2019.
- Our Manufacturing & Processing cluster has been expanding regionally and internationally, with our Seafood activities recording much better results than last year. 2017-18's lobbying regarding the enforcement of sustainable albacore fishing quotas is also yielding results. The entire value chain, from fishing to canning, has returned to solid profitability despite some challenges in our operations in France (Nutrifish S.A.) Meanwhile, in January 2019, we opened a new fish protein and fish oil factory in Ivory Coast, which is now fully operational.
- Our Beverage activities also saw sustained growth thanks to continued product innovation. Profits were achieved despite a disruption in our activities in Reunion Island caused by the 'Gilets Jaunes' movement and administrative challenges in obtaining relevant permits to source water.

Interview with the Group CEO

Internationally:

· IBL's Hospitality cluster continues to perform exceedingly well, despite a decline in tourist arrivals in Mauritius in the first quarter of 2019 and fierce competition in the Maldives. LUX* was restructured on 1 December 2018, separating its activities between the management company, The Lux Collective Ltd (TLC), and the real estate & hotel operations arm, Lux Island Resorts Ltd. Both companies now operate independently, with separate headquarters, Boards, governance committees and management teams.

Has IBL faced any particular challenges this year?

IBL's Agro cluster continues to be severely impacted by plummeting sugar prices on the world market, as well as a weak alignment between the private sector and local authorities on how to revitalise the cane sector. While Alteo performed well in Africa, it recorded unfavourable results in Mauritius. We intend to review the company's sugar-related activities moving forward.

Our Building & Engineering cluster posted mixed results, with profitability being eroded by a drop in performance at Manser Saxon Contracting. The latter received fewer contracts in its core areas of expertise this year, resulting in a 18% drop in turnover. In parallel, our Dubai operations remain challenging.

The outlook for this cluster remains positive, notably with the future acquisition of General Construction and the involvement of UBP in a number of public infrastructure and property development projects.

Last year, IBL announced the implementation of a Digital Transformation strategy. Why is this a priority for the Group? What key developments can you report over the past year?

We strongly believe in the enormous potential of digitalisation and the opportunities it presents for value creation. Over the last decade, the digital revolution has rewritten the rules of competition internationally and reshaped entire industries. IBL's digital transformation journey goes beyond simply investing in technologies. We made a bold commitment to reimagine our business model and change long-held habits that may hinder an emerging digital environment. If we do not transform our core processes, people and value proposition, our digital initiatives are likely to fall short. We are therefore working towards building an enterprise-wide culture of change, empowering all members of our organisation to adopt new mindsets all with one main goal: to be more client-centric.

Our Digital Transformation team is responsible for driving this change through effective digital adoption and change management plans across our operations. This is no easy task, but a strong focus on upskilling and training, support from management and a clear roadmap will ensure the successful execution of our strategy.

Some of this year's most notable measures include:

- Transforming IBL's Corporate Centre, particularly in the area of operational efficiencies.
- We finalised the wiiv project, the first multi-partner loyalty programme of its kind in Mauritius, which then commenced roll-out in early July 2019. It offers consumers discounts, exclusive deals and instant rewards when they shop with any of our 11 partners. It also provides a holistic view of what IBL has to offer, encouraging cross-selling and synergies within the Group.
- Winner's launched its e-commerce platform winners.mu, providing a unique omnichannel consumer experience. We are currently operating a Click & Collect model and will deploy a full-fledged delivery service.

One of IBL's main pillars is sustainability. What has been achieved thus far? What are your priorities for the coming year?

IBL is guided by the belief that as Mauritius' largest diversified Group, the future of our business is tied to the future of our Island. Our commitment toward greater responsibility and accountability is reflected in our adherence to the highest international standards. As advocates for the UN Global Compact and Global Reporting Initiative (GRI) Standards, we are dedicated to integrating most of the 17 Sustainable Development Goals (SDGs) into our operations and providing a transparent account of our progress towards achieving them.

As announced last year, we rolled out our Group sustainability policy, which outlines IBL's key priorities: reduce our environmental footprint, continue placing our stakeholders at the heart of our strategy, and implement high standards of integrity and governance, all while being profitable. This year, we focused on applying this Group-wide strategy and IBL's Code of Business Ethics within all our operations and subsidiaries.

We made substantial progress against the sustainability goals outlined last year:

- 22 companies are currently engaged in materiality assessments. We are also providing continuous support to our business entities to encourage them to report on their environmental, social and governance impact based on the GRI Standards and SDGs.
- A joint venture between IBL and Green Yellow, a leading Energy Manager firm, has enabled us to optimise our energy consumption and better monitor our energy performance. We aim to reduce our energy consumption by 30% by 2021 and to introduce innovative renewable energy solutions to the Mauritian market.
- We signed a statement of support for the Women's Empowerment Principles (WEPs) in October 2018, reinforcing our commitment to women's equality. We intend to continue taking concrete action to achieve gender equality.

 Sustainability p. 80

How has Fondation Joseph Lagesse performed this year, given the challenging CSR context in Mauritius?

Corporate Social Responsibility has always formed an integral part of our sustainability agenda. Most of our initiatives are carried out through Fondation Joseph Lagesse (FJL), which receives funds from almost a hundred IBL companies.

Executing our long-term agenda has been challenging due to the increasingly stringent constraints in the national CSR framework. The foundation has accomplished significant work over the last few decades and the team continues to work on its community development and poverty alleviation endeavours across Mauritius.

 Corporate Social Responsibility p. 86

IBL is in the process of refreshing its Human Capital strategy. How do you intend to ensure you have the right human capital for the long-term?

This year, we continued building on the Great Place to Work (GPTW) survey carried out last year, which revealed our strengths in the areas of career progression and talent management. This is a testament to our people-first culture and effective workplace practices, which we aim to improve to create a more enabling work environment.

Furthermore, we identified new areas for improvement, our first step being to transform our Corporate Centre into a Centre of Excellence looking after Talent Management, Leadership Development and Operational Efficiency. We intend to put in more flexibility to allow for mobility between clusters or even at an international level.

 Human Capital p. 72

Our office in Nairobi has the potential to be a key contributor to our regional growth. Two Business Development Executives are currently seeking out expansion opportunities in the Indian Ocean and sub-Saharan Africa, but we recognise the need to reinforce our Human Capital strategy in the region. By bringing in more capabilities, we expect to transform the many leads for partnership into concrete opportunities.

A Group-level Risk Management team has been in place for two years now. How is it enabling IBL to systematically identify and manage its main risks?

Comprehensive risk management remains front and centre at IBL. Rather than viewing it as a specialised function, we treat it as an integral, enterprise-wide component that must be embedded in our strategy, culture and business operations. This year, our risk management function has taken on a stronger role and now integrates an operational compliance function.

A Senior Risk Officer and an Internal Compliance Manager were appointed to accelerate the deployment of the risk management framework adopted earlier this year, which sets out a clear allocation of responsibilities among the Board, its committees and different business entities in the areas of risk oversight, risk appetite, measurement tools and training, amongst others.

The framework's successful implementation requires a concerted effort involving the Board and senior management, who are responsible for setting the right tone at the top. In this view, all Senior Executives of our business entities are actively engaged in risk-related exercises within their own operations to better understand their challenges, set their risk appetite and measure their performance against these risks. IBL's commitment to strong ethics and intolerance for compliance failures is key in fostering a Group-wide culture that steers IBL towards long-term resilience.

 Risk Management Report p. 90



Our biggest priority going forward is to keep sustaining growth in a global market rife with competition and instability.

What are your top priorities for 2019-20?

Our biggest priority going forward is to keep sustaining growth in a global market rife with competition and instability. In addition, in the wake of the digital revolution, risks related to cybersecurity deserve our ever-increasing attention. Monitoring market trends and taking prudent risks are vital. We are also focusing on reducing the Group's debt and solidifying our financial position.

In order to meet our stakeholders' high expectations, another priority is to continue investing in what we consider our most vital resource: our People. We are committed to upskilling our human capital to prepare them and the Group for future challenges.

Interview with the Group CEO

Looking forward, how do you feel about IBL Group's growth prospects?

I am optimistic about IBL's growth prospects, taking on board current downturns in the sugar and tourism sectors. Our competitive advantage lies in our long-standing experience, a balanced portfolio of activities, a strong presence in local, regional and international markets and our ability to execute our vision in each and every single entity of the Group with both consistency and agility. While some of our entities have been impacted by macroeconomic factors, others like our Financial & Other Services cluster, inter alia, have excellent prospects for further expansion.

The world is changing faster and more unpredictably than ever, bringing about waves of disruption across industries. The fall of Thomas Cook is an example of how quickly and profoundly business models are changing. We must innovate rigorously to keep up with these changes. New fields are gaining relevance and others are ceasing to exist; what worked yesterday may not work tomorrow. We must stay ahead of the curve, complementing our existing expertise with new levels of innovation and forward thinking. Our efforts over the last few years are already yielding positive results, and we strive to carry on cementing IBL's position as a resilient Group that our shareholders can depend on.

In closing, is there a message in particular you would like to communicate to stakeholders?

I would like to thank our Board of Directors and committee members, particularly IBL's Chairman, Jan Boullé, for their counsel and guidance through a year of accelerated transformation.

IBL's greatest strength is our People. I would like to express my sincere gratitude to our team members, whose talent and hard work allow us to deliver on our promise of making IBL a resilient Group.

To our shareholders, we appreciate your continued support and look forward to exceeding your expectations as IBL moves into the future with optimism and purpose.



Arnaud Lagesse
Group CEO

How we Engage with our Stakeholders





Scan this QR code to watch a glimpse of our Analyst Meeting.

Stakeholders	Expectations	Channels	Objectives set for 2018-19
 <p>Investors, shareholders and analysts</p> <p>Corporate Governance Report p. 34</p>	<ul style="list-style-type: none"> Profitability. Accurate information about performance. Access to Board and management team. A clear strategy and risk management approach. Compliance. A clearly defined sustainability approach. 	<ul style="list-style-type: none"> Analyst meetings. Shareholders' meetings. Transparent, complete Integrated Report. Quarterly earnings reports and investor presentations. Press releases that regularly communicate IBL's activities. 	<ul style="list-style-type: none"> Continue to improve and embed integrated reporting into Group way of working. Develop more detailed and qualitative quarterly management reports. Launch new mobile-friendly website with improved investors' corner and newsroom. Further develop IBL risk management framework.
 <p>Government, regulatory and institutional bodies</p> <p>Corporate Governance Report p. 34 Risk Management Report p. 90</p>	<ul style="list-style-type: none"> Regular dialogue between government/regulatory body officials and IBL senior management. Ethical business practices and compliance with national regulation. Fair labour practices. Community investment. A clearly defined sustainability approach. Meet health and safety obligations. 	<ul style="list-style-type: none"> Meetings between Senior Executives and government/regulatory representatives. Participation in public policy forums. Transparent, complete annual and quarterly reports. Regular PR activities. Regular reporting via monthly meetings on health and safety practices. 	<ul style="list-style-type: none"> Continue to engage in open, forthright dialogue with national authorities. Launch of updated Code of Business Ethics.
 <p>IBL team members</p> <p>Human Capital p. 72</p>	<ul style="list-style-type: none"> Regular, timely communication regarding the Group's activities and strategy. Involvement in decision-making. Equitable pay and labour practices. Training and development opportunities. Performance incentives. Become an employer of choice. 	<ul style="list-style-type: none"> Function-specific networks e.g. for IT, Human Capital, Sustainability. Designation of IBL Together culture/values champions. Regular email memos circulated to all staff. Regular meetings held between IBL management and team member representatives. Continuous communication with IBL's team members through wiiv's newsletter. 	<ul style="list-style-type: none"> Launch new mobile-friendly website with improved investors' corner and newsroom. Create new Human Capital Information System to allow team members to track performance and annual leave online. Digitalisation of on-boarding, learning and development and recruitment. Based on results of Great Place To Work (GPTW) survey, create roadmap to enhance corporate culture and stakeholder engagement.

Performance against objectives	Priorities for 2019-20
<ul style="list-style-type: none"> Won the award for the best Integrated Report in the SEM-10 category at PwC's 21st Corporate Reporting Awards ceremony in March 2019. Held two analyst meetings and one shareholders' meeting. Published quarterly abridged reports. Communicated in the press regarding all major strategic decisions (e.g. imminent acquisition of General Construction, LUX* restructuring, etc.). Published first Communication on Progress (CoP) report in November 2018 for an update on our sustainability initiatives. Strengthened IBL's risk management function with the integration of a Compliance function and the appointment of a Senior Risk Officer and a Compliance Manager. 	<ul style="list-style-type: none"> Continue to improve how we report and embed integrated thinking across the Group. Publish 2nd Communication on Progress (CoP) report.
<ul style="list-style-type: none"> IBL's new Code of Business Ethics and Anti-Corruption policy adopted and in place. Integration of a whistleblowing policy entitled "Raising Concerns Openly" in the Code of Business Ethics. Adoption of a new Conflict of Interests policy. Reviewed remuneration practices, aligning salaries with market rates. Endorsed the Women's Empowerment Principles (WEPs). Followed up and continuously monitored health and safety practices. Implementation of an Equal Opportunity policy. Implementation of Data Protection Awareness and Compliance programme including several workshops conducted on the matter to ensure the sharing of best practices across the Group. 	<ul style="list-style-type: none"> Continue to engage in open, forthright dialogue with national authorities. Continue awareness on business ethics and data protection. Continued deployment of risk management framework.
<ul style="list-style-type: none"> IBL's new Code of Business Ethics and Anti-Corruption policy adopted and in place. Devised new Human Capital strategy in collaboration with RBL Consulting, which delayed the roll-out of the Human Capital Information System. Successfully digitalised on-boarding and learning, and implemented ERP systems to improve efficiency. Following the GPTW survey, conducted 155 workshops to improve the sharing of best practices. Reviewed remuneration practices, aligning salaries with market rates. On-boarding of talent identified last year. Endorsed the Women's Empowerment Principles (WEPs). Roll-out of IBL's loyalty programme, wiiv, enabling IBL employees to earn rewards when shopping with 15 partners. Implementation of an Equal Opportunity policy. 	<ul style="list-style-type: none"> Restructure the Human Capital department in line with the strategies defined in the Human Capital Transformation Project. Introduce the Flexi Time Concept at the Corporate Centre. Launch the Talent Management framework and IBL's Leadership Brand. Implementation of HCIS named POP (People Online Platform) to service the following processes: Recruitment, Performance Management, Learning Management, Talent Management, Leadership Assessment and Employee self-service, among others. Creation of an annual Talent Review Day for talents across the Group. Creation and implementation of a Non-Harassment policy. Strengthen internal communication to ensure the effective flow of information between the Corporate Centre's departments, and between the Group's various entities.

How we Engage with our Stakeholders

Stakeholders	Expectations	Channels	Objectives set for 2018-19
 <p>Group entities (as IBL Corporate Centre clients)</p> <p>Human Capital p. 72</p>	<ul style="list-style-type: none"> Regular, timely communication regarding the Group's activities and strategy. Involvement in decision-making relevant to their businesses. Support from IBL management and Corporate Centre functions in implementing Group policies (operations). Sharing of best practice and opportunities for cross-fertilisation across businesses. 	<ul style="list-style-type: none"> Regular meetings between IBL management and Group entities' management. Networks and forums (Human Capital, IT, Sustainability, etc.). Continuous communication with IBL's entities through wiiv's newsletter. 	<ul style="list-style-type: none"> Digitalisation of on-boarding, learning and development and recruitment functions among others. Customer satisfaction survey to be undertaken. Rolling out of digitalisation strategy and provision of information about Group policies and certain functions online (staff on-boarding, learning and development, recruitment, etc.).
 <p>Communities, NGOs, vulnerable populations and families</p> <p>Corporate Social Responsibility p. 86</p>	<ul style="list-style-type: none"> Transparency and involvement in decisions and initiatives that affect the local community. Ethical business practices. A clearly defined sustainability approach. Funding and other types of support. Positive and sustainable changes in the underserved communities' living conditions. Better access to services and improved social justice. Empathy and social guidance. 	<ul style="list-style-type: none"> Ongoing educational programmes and community development projects. On-site initiatives and follow-up. Community meetings and capacity-building initiatives. Website. Social media. IBL On The Move (annual event). 	<ul style="list-style-type: none"> Continue to initiate community development programmes and support NGO initiatives. Source alternative funding for CSR activities and focus on impact. Continue to fund community projects in education, community development and health via Fondation Joseph Lagesse.

Performance against objectives	Priorities for 2019-20
<ul style="list-style-type: none"> Implemented 10 Group policies and procedures relating to onboarding, learning and development, short-term incentives, recruitment, etc. Remuneration packages are now aligned with market rates. First year in the execution phase of Group's Digital Transformation strategy. Two specialised workshops with 48 participants (combined) organised on labour laws. Data protection workshops carried out in light of new Mauritian Data Protection Act (MDPA), harmonising expertise in the area across the Group. Following Great Place To Work (GPTW) survey, IBL entities have been developing individual roadmaps to enhance the employee experience. Endorsed the Women's Empowerment Principles (WEPs) and presented results to team members. Roll-out of IBL's loyalty programme, wiiv, enabling IBL's entities to increase their visibility and attract customers. Implementation of an Equal Opportunity policy. 	<ul style="list-style-type: none"> Continue to develop action plans to make companies of IBL 'Great Places to Work'. Build the processes and framework for the IBL Leadership Brand. Continue improving on the Leadership Executive Acceleration Programme (LEAP) for Senior Executives across the Group. Continue strengthening wiiv to offer more benefits to partners. Creation and implementation of Non-Harassment policy. Strengthen internal communication to ensure the effective flow of information between the Corporate Centre's departments, and between the Group's various entities. The Digital Transformation team aims to continue supporting IBL's entities in their digital transformation initiatives.
<ul style="list-style-type: none"> Implementation of a Group-wide Sustainability strategy. Reviewed Fondation Joseph Lagesse's programmes to focus on 4 areas of intervention. Renewed trust in Fondation Joseph Lagesse by channelling Rs 18.7 million of CSR funds to fund community projects. Obtained Rs 2.9 million in grant to carry out educational programmes. Revamped FJL's website for increased communication and transparency. Set-up of a Research and Evaluation unit to measure and improve our social impact. Provided funding to 7 NGOs and 2 other NGOs through IBL On The Move's fundraising event. Set-up of Nou Zenfan Bois Marchand. Scholarships maintained to 15 students despite CSR tax increase to 75%. Completed 3-year community project Revey Twa Bois Marchand Pou Nou Fierté. Continued support of Small Step Matters, which raised funds for 20 projects in Mauritius and Rodrigues. 	<ul style="list-style-type: none"> Continue to establish logic models for all of FJL's initiatives and improve impact in 4 areas of intervention. Continue to source alternative funding for CSR activities in the context of a challenging CSR environment.

How we Engage with our Stakeholders

Stakeholders	Expectations	Channels	Objectives set for 2018-19
 <p>Clients</p> <p><small>Risk Management Report p. 90</small></p>	<ul style="list-style-type: none"> Service and product safety and quality. Transparent communication regarding Group activities/decisions that affect clients. Fair and ethical trading practices. 	<ul style="list-style-type: none"> Website. Social media. Regular meetings between IBL decision-makers and external stakeholder groups. Public relations. Regular events (Tekoma Awards, IBL On The Move, Dodo Trail etc.). Continuous communication with IBL's clients through wiiv's newsletter. 	<ul style="list-style-type: none"> Launch new mobile-friendly website with improved newsroom. Launch of new e-commerce platforms. Launch of updated Code of Business Ethics.
 <p>Suppliers</p>	<ul style="list-style-type: none"> Transparent communication regarding the Group and its activities. Communicate information on Group tenders. Selection criteria (in the areas of Performance and Corporate Social Responsibility) to become IBL Group's partner. Ethical business practices underpinned by a strong Code of Business Ethics. 	<ul style="list-style-type: none"> Supplier meetings. Site visits. Corporate road shows. Supplier ratings. 	<ul style="list-style-type: none"> Launch Purchasing platform with updated products and services, combined with linking contact information. Selection of best-of-breed suppliers. Support new suppliers active in sustainable product development.

Performance against objectives	Priorities for 2019-20
<ul style="list-style-type: none"> Launch of e-commerce platforms and mobile applications within various entities: Winner's, MedActiv, Espace Maison. Communicated in the press regarding all major strategic decisions affecting clients (e.g imminent acquisition of General Construction, LUX* restructuring, etc.). IBL's new Code of Business Ethics and Anti-Corruption policy adopted and in place. Strengthened IBL's Group-level risk management function. Published 1st Communication on Progress (CoP) report in November 2018 for an update on our sustainability initiatives. Roll-out of IBL's loyalty programme, wiiv, enabling IBL's clients to earn points and rewards when shopping with 11 partners. Implementation of Data Protection Awareness and Compliance programme including several workshops conducted on the matter to ensure the sharing of best practices across the Group. 	<ul style="list-style-type: none"> Launch of new mobile applications and e-commerce platforms. Continue strengthening wiiv to offer more benefits to members. Publish 2nd Communication on Progress (CoP) report.
<ul style="list-style-type: none"> Update of the "Recommended Group Partners' List" with best-in-class suppliers offering competitive features and benefits to all IBL companies. Enhanced communication on products and services supplied by IBL's entities. Creation of an internal Purchasing platform designed to communicate on Group partners, as well as foster purchase synergies and best practices across Group entities. 	<ul style="list-style-type: none"> Ensure purchases are made with suppliers who conform to sustainable practices and whose values align with IBL's. Continuous implementation of best practices with respect to Purchasing. Identify common purchasing needs between various Group entities and ensure procurement synergies. Work towards cross-fertilisation of IBL companies to create value-added services across the Group's entities.

Business Model



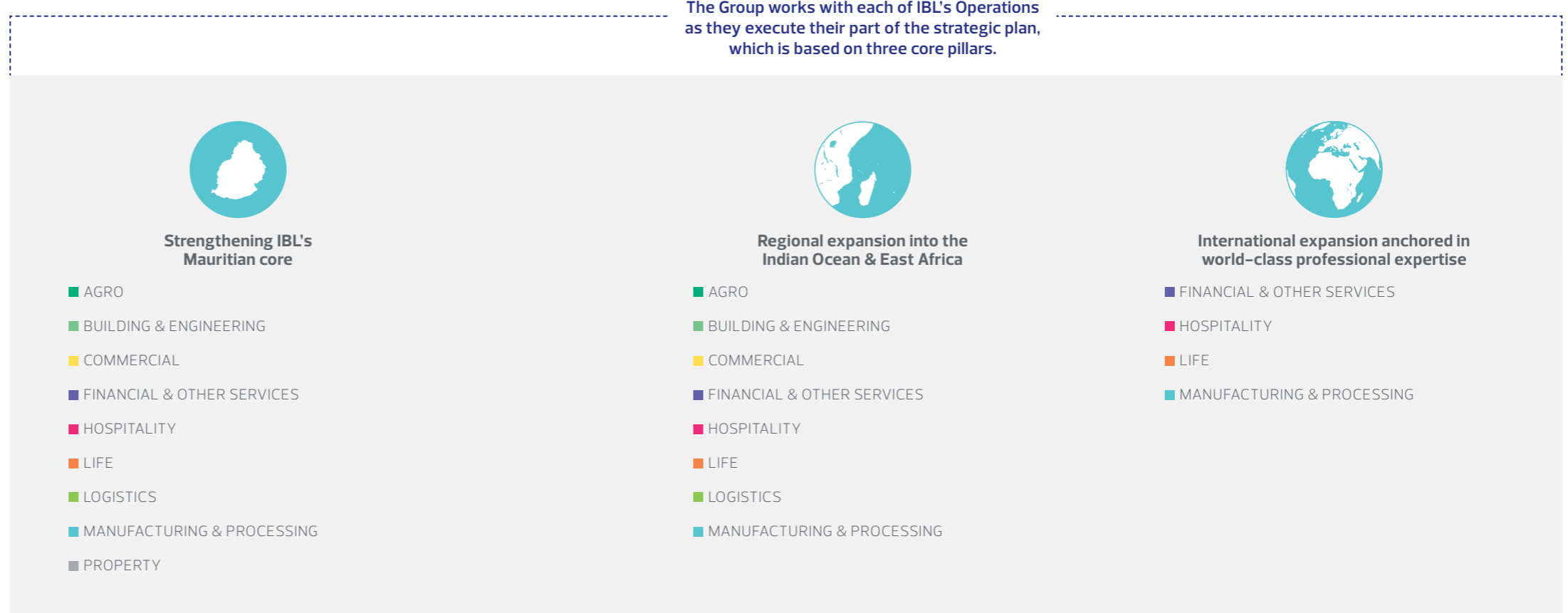
Group Strategy

Our long-term strategic plan

IBL continues to deliver on the three-year strategic plan defined during the 2016-17 financial year.

The strategy seeks to position the Group as a regional leader able to pursue strong international growth, drawing on a strong Mauritian core, a culture of excellence and world-class professional expertise in the industries of the future. Our ultimate aim is to sustainably create value for our stakeholders.

The Group works with each of IBL's Operations as they execute their part of the strategic plan, which is based on three core pillars.

















IBL's ability to deliver on its strategic priorities is underpinned by three growth enablers.



Group Strategy

Please refer to our navigation icons on p. 5 to learn about the main capitals and p. 97 for more information on IBL's top 15 risks

Strategic pillars	Objectives set for 2018-19	Performance against objectives
 <p>Strengthening IBL's Mauritian core</p>	<ul style="list-style-type: none"> IBL Corporate Centre to continue to work in close collaboration with businesses' management teams and disseminate best practices. Transformation of the Corporate Centre with: <ul style="list-style-type: none"> Hiring of Head of Internal Audit to bring audit function in-house. Ongoing efforts to build Group-level oversight of strategy, Sustainability and Risk Management. Ongoing execution of strategic roadmap on the part of IBL businesses. 	<ul style="list-style-type: none"> Each Corporate Centre team has continued to work with IBL operations' management teams as they devise and implement their own policies. Ongoing development of Risk Management department. Appointment of new Head of Internal Audit. Roll-out of Digital Transformation strategy at Group level: implementation of the 27 priority projects identified last year. In line with proximity strategy, launch of wiiv, Mauritius' first multi-partner loyalty programme. Adoption of Group sustainability policy and progress made on materiality and reporting. IBL businesses have continued to deliver on the strategic plans agreed with the Corporate Centre, though some operations have been delayed or modified (e.g. Acquisition of Shoprite Trianon and Port Louis to consolidate Commercial cluster). Rebranding of Monoprix to Winner's, conversion of Shoprite Trianon into a Winner's hypermarket and launch of Winner's e-commerce platform. Acquisition of General Construction Co Ltd in progress, to be concluded in December 2019 upon completion of due diligence. Sale of Proximed in order to dedicate more resources to HealthActiv. Manser Saxon expanded its service offering in the construction value chain and successfully delivered Le Chaland hotel.
 <p>Regional expansion into the Indian Ocean & East Africa</p>	<ul style="list-style-type: none"> Opening of additional IBL regional offices. Continued regional expansion of key IBL businesses (e.g. opening of LUX* North Male Atoll in 2018-19, Life cluster to develop strategic partnerships and enter new markets, such as in water treatment, locally and regionally). 	<ul style="list-style-type: none"> No other offices open for the present. Nairobi office very active and providing a significant boost to regional business development momentum. Thus far identified and working on a partnership with Green Yellow for energy efficiency. Currently working on 45 potential M&A transactions.
 <p>International expansion anchored in world-class professional expertise</p>	<ul style="list-style-type: none"> Continuous provision of support to IBL operations as they expand internationally. Expansion of shareholding in international businesses (e.g. LUX*). Clusters to continue to roll out international growth strategies (e.g. LUX* moving headquarters to Singapore, opening 5 new LUX* resorts in the Maldives, UAE, Italy, China & Vietnam in the period to 2021; Life cluster to recruit Business Development Executive to build European clientele). 	<ul style="list-style-type: none"> Corporate Centre continues to provide support to IBL's operations as they seek international growth opportunities. Acquired shares in The Lux Collective as it pursues an ambitious international growth strategy. Growth strategies rolled out across targeted IBL clusters with world-class expertise (e.g. Strategic separation of LUX* into The Lux Collective and Lux Island Resorts; New LUX* property opened in Maldives). Though the Life cluster did not recruit a Business Development Executive, it established a new scientific committee to assist with international development. DTOS/Offshore: creation of European desk and recruitment of Marketing & Communication Executive to increase international visibility.

Main capitals impacted	Link to Group-level risks	Priorities for 2019-20
   	<p>3 4 6</p> <p>7 8 9</p> <p>10 13 15</p> <p>2 14 11</p> <p>12</p>	<ul style="list-style-type: none"> Conclude the General Construction acquisition and ensure its successful integration into the Group by 31 December 2019. Focus on returning Winner's to profitability. Launch of SOCIO, a new urban hotel brand under The Lux Collective. Ongoing redevelopment of Merville into LUX* Grand Baie, scheduled to open in March 2021. Life cluster to continue developing its Health & Wellness destination. Launch of the Azuri golf and golf view residential development by June 2020. Creation and consolidation of IBL Energy Ltd, which will serve as the investment vehicle for all energy-related activities. IBL Energy will have a well-defined local, regional and international strategy. Strengthen local brands distributed by BrandActiv. Construction of Victoria Urban Terminal, which represents a major transit centre on the Metro Express path. Implementation of a new system at Logidis that will enhance efficiency and customer experience at Winner's and BrandActiv. Transformation of CNOI through the development of newly acquired land adjacent to shipyard facility. Joint venture with Green Yellow to improve energy efficiency, which we then intend to implement in Mauritius.
  	<p>1 2 3</p> <p>6 8 10</p> <p>13 15 14</p> <p>4</p>	<ul style="list-style-type: none"> The regional office in Nairobi in collaboration with the Group's M&A team target to conclude at least one acquisition in East Africa. Joint venture with Green Yellow to improve energy efficiency, which we then intend to implement regionally.
   	<p>3 5 6</p> <p>11 13 4</p> <p>14 15</p>	<ul style="list-style-type: none"> Fish oil and fish protein factory in Ivory Coast fully functional. The Lux Collective to conclude two new management contracts. The Lux Collective to continue seeking out international growth opportunities, enabled by the establishment of its new headquarters in Singapore.

Human Capital

Positioning Human Capital as a strategic partner

Over the last few years, in line with the Group's "People First" core value, the human capital function has stepped outside its traditional role and taken on the position of a strategic partner in growth at IBL. Our people, who serve as our brand ambassadors, are the greatest assets of our organisation and we view them as an essential building block of our business model and strategy. In the context of a competitive marketplace where talent drives growth, we recognise that our team members' wellbeing, engagement and satisfaction are critical drivers of our success. We therefore treat our human capital with the same diligence as our financial capital, and have established it as one of the core pillars of IBL's long-term strategy.

Our Human Capital strategy, which we outlined in 2016, ensures that IBL has the world-class expertise it needs to thrive. Its aim is to support core business strategies by:

- proactively acquiring talent;
- investing in our people's development;
- recognising and rewarding their accomplishments in order to retain them in the long term.

Now that this three-year strategy has run its course, IBL has undergone a major rethink of its ability to future-proof its growth in the long term. In this context, we have partnered with RBL Group, international experts in HR and Leadership Consulting, in order to review the Group's human capital structure, its function at Group level, and related practices across the operations.

IBL Together: a culture grounded in the Group's core values

Underpinning this strategy is a commitment to embedding a high-trust and high-performance culture in all of the Group's activities and processes. We continue to build an "IBL Together" culture rooted in operational excellence, employee engagement and inclusiveness where hard work is recognised and team members feel valued. We aim to provide ongoing support to our employees through various tools: effective policies, training, better onboarding efforts and performance management programmes that ensure that employees are recognised for their accomplishments.

Following the Great Place To Work (GPTW) survey, we drove various initiatives in key action areas, including conducting workshops to improve the sharing of best practices, increasing our engagement with team members, reviewing our remuneration practices and investing in their professional and personal development. These guiding principles are fully aligned with the Group's strategic directives and core values.

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Progress on our Human Capital roadmap

This year, we continued making progress on our roadmap. Our objective is to build a customer-centric human capital function, both at Group level and across IBL operations, to better support IBL's long-term strategy and keep us at the cutting edge of the field globally.



Key objectives	Objectives set for 2018-19	Performance against objectives	Priorities for 2019-20
Harmonising the Group's human capital approach			
Articulate and standardise human capital processes across IBL.	<ul style="list-style-type: none"> · Pursue Corporate Centre's human capital transformation to create value for IBL operations. · In collaboration with operations' management teams, start to standardise operations' HC processes by: <ul style="list-style-type: none"> - Continuing to bring together HC expertise across the Group via dedicated forums; - Disseminating best practice; - Promoting a culture of performance based on the use of analytics, to help them manage and retain the talent they require. 	<ul style="list-style-type: none"> · 10 Group policies and procedures relating to the main events in the employee life cycle (recruitment, onboarding, short-term incentives, learning and development, retirement, etc.) put into place across the Corporate Centre and operations. · Digital onboarding and travel booking systems successfully created. · Fine-tuning of evaluation processes. · Specialised workshops organised on labour laws. · Data protection workshops carried out, harmonising expertise in the area across the Group. · Implementation of Analytics arm to measure performance. 	<ul style="list-style-type: none"> · Restructure the Human Capital department in line with the strategies defined in the Human Capital Transformation Project. · Introduce, on a trial basis, the Flexi Time Concept at the Corporate Centre. · Launch the Talent Management framework, as well as IBL's Leadership Brand. · Revamp our human capital services to bring competitive value-added services to the Group's businesses.
Review IBL's human capital and remuneration practices in collaboration with the Korn Ferry Hay Group.	<ul style="list-style-type: none"> · Fine-tune the salary review process. · Based on feedback from IBL companies, tweak system to reflect the specificity of businesses' operations and their different financial realities. 	<ul style="list-style-type: none"> · Remuneration packages are generally aligned with market rates, with some exceptions where we are positioned above current market rates. · Ongoing update of general market remuneration data in collaboration with Korn Ferry Hay Group. 	<ul style="list-style-type: none"> · IBL will participate in the General Market Survey as well as the Executive Survey, in collaboration with Korn Ferry Hay Group, to evaluate the competitiveness of its remuneration practices in all sectors.
Implement a new Performance Management System.	<ul style="list-style-type: none"> · Select an information system that can automate performance assessment at Group level, particularly for IBL's operations and some of our Financial cluster businesses. · Define analytics dashboards to monitor human capital initiatives and their impact on IBL's performance. · Implement Short Term Incentive (STI) scheme within IBL operations: Define an STI framework that takes the specificities of each business into account while encouraging a mindset of entrepreneurship. 	<ul style="list-style-type: none"> · Selection of information system has been delayed due to a major rethink of the structure of IBL's human capital function · Analytics were defined and implemented in a dashboard. They are now being monitored for performance (e.g. gender, training provision, etc.). · Ongoing development of an STI framework that takes into consideration individual performance, company performance and Group performance (rather than just the company's financial performance). 	<ul style="list-style-type: none"> · A request for the proposal of a Human Capital Online Suite will be launched this year. This suite uses the latest technologies to track employee performances, as well as their potential for growth. · The STI framework is being continuously fine-tuned across the Corporate Centre and IBL's operations.

Human Capital

Key objectives	Objectives set for 2018–19	Performance against objectives	Priorities for 2019–20
Harmonising the Group's human capital approach (Continued)			
Digitally transform the Group's HC practices.	<ul style="list-style-type: none"> Select and implement a new Human Capital Information System (HCIS). Digitalise our Onboarding, Learning and Development Platform and recruitment process (part of our strategy to improve employee experience). Finalise and launch automated business travel system. 	<ul style="list-style-type: none"> In the context of the Human Capital Transformation project with RBL, we had to delay the selection of a Human Capital Information System (HCIS). Digital onboarding successfully implemented. The business travel system was successfully launched. 	<ul style="list-style-type: none"> One of the major human capital projects remains the choice and implementation of an appropriate HCIS. The project was named POP (People Online Platform). POP is designed to service the following processes: Recruitment, Performance Management, Learning Management, Talent Management, Leadership Assessment and an Employee self service, among others.
Strengthening the Group's succession planning and recruitment strategies			
Reinforce succession planning and recruitment to ensure business continuity / that strategic roles are appropriately staffed at all times.	<ul style="list-style-type: none"> Succession planning remains a priority, particularly when we are looking to replace Executives who have worked for the Group for decades. 	<ul style="list-style-type: none"> Continued to work on succession planning. Onboarding of specific talent identified in previous year (e.g. Group Head of Operations, new COO of Seafood, etc). 	<ul style="list-style-type: none"> One of the pillars of the Human Capital Transformation is the creation of a Talent and Leadership department. Various new initiatives will be launched and the recruitment of the Head of this department is in progress. A Talent Review Day has already been defined and will become an annual event. This strategic moment will foster the review of all talents across IBL, while providing opportunities for growth.
Helping Businesses transform through learning and development initiatives			
To assist Group businesses with learning and development initiatives that will enhance their performance and enable their sustainable growth.	<ul style="list-style-type: none"> Launch of a Leadership Executive Acceleration Programme (LEAP) for Executives and some High Potential Senior Managers. Launch of Ignite, an online platform that provides abstracts of business books to management and Senior Executives, so they can read the latest materials in their fields. 	<ul style="list-style-type: none"> LEAP launched. 21 senior Executives across the Group have now taken part in this programme, which took place partly in Mauritius and partly in South Africa. The Ignite programme was launched and we are in the process of assessing its impact on employee learning. 	<ul style="list-style-type: none"> Following the launch of LEAP and taking into account feedback received, actions have been taken to review the modalities and content of the programme. The MDP (Management Development Programme) has been launched for the 3rd consecutive year. Ignite will be revised, as its real impact on learning and transformation is being questioned.

Key objectives	Objectives set for 2018–19	Performance against objectives	Priorities for 2019–20
Proactively attracting key talent			
To proactively identify and attract top talent by raising awareness of the opportunities that IBL presents; developing future leaders; and offering an appealing working culture and attractive remuneration.	<ul style="list-style-type: none"> Devise and implement roadmap to reinforce working culture based on data from Great Place to Work (GPTW) survey. Aim to offer regular salary increases and packages based on the national salary surveys completed in partnership with the Korn Ferry Hay Group, while staying abreast of innovative remuneration practices. 	<ul style="list-style-type: none"> Recruited top talent from abroad to strengthen business-critical roles. Following GPTW survey, companies have been actively developing individual roadmaps to enhance their employee experience. Actively recruited top talent from abroad to strengthen business-critical roles. 	<ul style="list-style-type: none"> Build the processes and framework for an IBL Leadership Brand, which will provide strategically-aligned development programmes for leaders at multiple levels. Continue to develop action plans to make companies of IBL 'Great Places to Work'. As part of the Talent framework, the Internal Mobility project will be studied, while ensuring the filling of the leadership pipeline.



Case study

IBL Great Place To Work

In mid-2018, IBL conducted a Great Place To Work (GPTW) survey among our team members within our Corporate Centre and operations. Our aim was to gather meaningful feedback from our employees on a number of areas – including company culture, inclusivity, rewards and leadership – and derive actionable insights. The survey was carried out from 19 March to 24 May 2018.



4756
team members invited



82%
response rate



64%
of our workforce believes
IBL is a great place to work

While some of the survey's results were positive, highlighting our team members' strong sense of pride about working for the Group and believing their work makes a difference, it also identified a number of weaknesses. The survey revealed that IBL has major improvement to make in the areas of work-life integration (particularly for women and millennials), non-financial incentives, team member recognition and internal communication.

The survey's results have been communicated to the Group's businesses and are now being used to create a roadmap to enrich IBL's corporate culture and the working environment we provide. With support from the Human Capital team, IBL's operations are now creating and implementing human capital roadmaps to address their weaknesses and improve their employee experience.



Scan this QR code to watch a video about the GPTW survey.

Digital Transformation

Achieving customer-centricity through Digital Transformation

IBL's customer-centric Digital Transformation strategy, outlined last year, is already well under way. This transformation goes beyond simply investing in the latest technologies or digitalising customer-facing interactions; instead, it requires a fundamental change in how we deliver value, particularly as we operate in a hypercompetitive business environment.

Now in the first year of the execution phase, we made notable progress in deploying our strategy at the Group level and within our operations. The goal is to align our technology, business models, people and processes to support IBL's overarching strategic objectives.

We began by increasing the digital offerings within certain entities, deploying e-commerce platforms and mobile applications so customers can benefit from greater speed and convenience. In parallel, we worked on improving operational efficiencies and streamlining processes with the right IT architecture, and ensuring its successful adoption by our team members.

Digital transformation is an ongoing journey that requires a shift in mindsets and in the workplace culture. We strongly believe that the digital agenda starts with people. Our employees, who are key drivers and enablers of digital transformation, must be equipped with the right tools and capabilities. We have started embracing new ways of working and collaborating, with the objective of building an organisational culture conducive to this transformation.

Progress on our Digital Transformation roadmap

During the year, we initiated the 27 projects identified as strategic for the Group, based on their impact on the three pillars below:



Leadership

Reinforce our leadership position and enhance IBL's brands' visibility



Performance

Achieve significant operational efficiencies



Cohesion

Implement new ways of working and collaboration using digital platforms

Governance: a key element in the execution of our Digital Transformation strategy

Digital Steering Committee per Operation <i>Comprised of Heads of Operations and Project Managers</i>	Digital Transformation team <i>Comprised of a Head of Digital Transformation, a Digital Project Manager and a Digital Change Manager</i>	Group Steering Committee <i>Comprised of Senior-Level Executives</i>
<ul style="list-style-type: none"> Monitors progress of projects and deployment of roadmap. Monitors economic impact of transformation. Prepares reporting and arbitration points for Group Steering Committee. 	<ul style="list-style-type: none"> Oversees the Digital Transformation programme. Responsible for capacity-building in digital transformation. Guides and supports operations in their digital initiatives. 	<ul style="list-style-type: none"> Validates the transformation trajectory. Ensures the on-time and on-budget implementation of strategic objectives. Oversees that each project contributes to Group's overarching digital strategy.



Our approach to Digital Transformation

Our approach has substantially evolved since last year in response to evolving consumer expectations and feasibility studies conducted internally. We are now on course to meet our 2020 goals, particularly by focusing on the following 4 pillars:

- Business model
- Operating model
- Working model
- Servicing model

Strategic objectives	Achievements in 2018-19	Priorities for 2019-20
Business model		
Develop new value propositions and extend our offers across digital channels to generate revenue.	<ul style="list-style-type: none"> Launch of Winner's e-commerce platform, increasing proximity with clients. Launch of Eagle Insurance's new B2C platform, enabling online quote requests and online submission of claims. Deployment of MedActiv's e-commerce platform for non-pharmaceutical products. 	<ul style="list-style-type: none"> Deployment of e-commerce portals for other business units.
Operating model		
Achieve operational excellence by digitalising our processes and transforming our ways of working.	<ul style="list-style-type: none"> Froid des Mascareignes equipped with predictive maintenance software that reduces operational costs. Implementation of WMS for Logidis in progress. Implementation of ERP for Somatrans in progress. Launched ERP initiatives in the Manufacturing & Processing cluster. Further enhance workforce automation at BrandActiv and HealthActiv. 	<ul style="list-style-type: none"> Implementation of CRM platforms in several business units. Investigate use of RFID (Radio Frequency Identification) in warehouses and fleet management. Deployment of B2B portals and chatbots. Further digitalisation of manual business processes.
Working model		
Diffuse a digital culture to strengthen capabilities and collaboration, and attract talent.	<ul style="list-style-type: none"> Implementation of e-learning modules. Leadership and project teams trained on change management. Over 10 workshops conducted on digital topics with participation of cross functional teams from different clusters. 	<ul style="list-style-type: none"> Human Capital Digital Platform to be implemented, following the roll-out of the new Human Capital strategy. Deployment of e-learning platforms. Deployment of digital collaboration and communication platforms.
Servicing model		
Increase customer loyalty through an exceptional customer experience.	<ul style="list-style-type: none"> Launch of IBL's loyalty programme, wiiv, enabling customers to download a mobile app and collect points and rewards at 11 IBL partners. Roll-out of LUX* mobile application for a seamless omnichannel guest experience. Deployment of 2nd version of Espace Maison's mobile application. 	<ul style="list-style-type: none"> Leverage data analytics to personalise customer experience and increase retention. Deployment of B2C portals and mobile applications for other business units.

Digital Transformation



Case studies

Wiiv, IBL's loyalty programme

IBL's new loyalty programme, wiiv, was launched end of June 2019 as one of the Group's digital strategic initiatives, and in line with its desire to build closer relationships with the Mauritian community. Only a few months after its launch, wiiv has acquired over 120,000 members. That number is anticipated to increase to 170,000 by 2020. As the island's first multi-partner and omnichannel programme, wiiv offers an innovative experience underpinned by the latest technologies.



How it works

1. EARN	2. ENJOY	3. SAVE
Members can earn wiiv points when they shop at one of 5 selected EARN partners: Winner's, MedActiv, Eagle Insurance, Espace Maison and alalila.mu.	Members can use their collected wiiv points by paying in-store and online at one of 7 selected ENJOY partners: Winner's, MedActiv, Eagle Insurance, Espace Maison and alalila.mu and Cafe LUX*.	Members can save with instant wiiv and exclusive deals at one of 8 selected partners: MedActiv, Eagle Insurance, Cafe LUX*, The Lux Collective, Gros Cailloux, Arcadia Travel, Kote Vins & Spirits and LCF.

The steps we took

Step 1	We carried out a comprehensive assessment of IBL's previous fidelity programme and conducted a number of focus groups which concluded Mauritians were ready for a strong loyalty proposition.
Step 2	We defined strong customer value propositions for each partner on the programme.
Step 3	We developed a mobile app through which wiiv members can easily access their account and benefit from the programme.
Step 4	We defined clear metrics to measure customer engagement, programme performance and generate valuable insights.



Scan this QR code to watch a video about wiiv.

This loyalty programme extends over the long term and is based on an ongoing flow of communication and shared value between IBL's consumers, its employees, its businesses and wiiv's partners.

Benefits for consumers and employees	Benefits for partners	Benefits for IBL
<ul style="list-style-type: none"> More convenience. Exclusive offers, discounts and deals that fulfil their needs. Ease of redeeming points. A user-friendly, enjoyable experience through the app. More benefits through four additional partners for IBL employees. 	<ul style="list-style-type: none"> Increased visibility and brand awareness. Increased engagement and proximity with consumers. Insights into customer trends and behaviours. 	<ul style="list-style-type: none"> Increased awareness of IBL's sectors of activity and business lines. Increased proximity with consumers. Synergies between IBL's businesses and operations. A direct communication channel with consumers. Customer insights, enabling incremental performance across IBL brands.

Winner's e-commerce platform

With 25 stores across the island, Winner's is positioned as the leading supermarket chain in Mauritius. Last year, Winner's was rebranded as a more digital-friendly brand with a fresh, modern identity targeting today's digitally-savvy consumers. In line with this new positioning, it launched its e-commerce platform in August 2018. Through an omnichannel shopping experience, Winner's now offers greater convenience to its customers.

How it works



The steps we took

Step 1	We developed an omnichannel strategy targeted at the young digitally-enabled population, active workers, families, and people with reduced mobility, with our core attributes being proximity and warmth.
Step 2	E-commerce capabilities were built internally, including the setting up of omnichannel operations and the selection of appropriate technological platforms.
Step 3	The Winner's e-commerce website was launched with Click & Collect stores, which increased in number over the past year, followed by the introduction of a home delivery service in several regions. From the comfort of their homes, customers can choose from over 10,000 products delivered to their doorstep after 24 hours. Winner's currently processes about 300 orders on the platform per month.
Step 4	The e-commerce platform has been regularly updated based on customer feedback.

This initiative will continue to evolve with the extension of home delivery zones, regular product catalogue enhancements and regular technological and user experience updates on the platform. Winner's long-term strategy is based on the collection and analysis of consumer behaviour, with the objective of providing a more personalised customer experience.

Sustainability

Embedding Sustainability into the core of IBL's strategy

As one of the largest groups in Mauritius, IBL is aware that it must play an essential role in addressing the pressing challenges facing our world. It has become crucial to move beyond traditional ideas of philanthropy and to think beyond financial returns. Therefore, at IBL, sustainability is an integral component of our overall business strategy: it drives our decision-making and fosters innovation by challenging us to develop socially and environmentally responsible products and services. Our end goal is to turn the tide on the major economic, environmental and social issues of our times, while creating long-term value for our stakeholders.

Last year, we formalised a Group-level Sustainability strategy that cascades down to our subsidiaries, operations and associated companies. We have made notable progress in embedding sustainability practices into our strategies, policies, culture and mindsets.

Our Sustainability objectives

We defined three objectives, aligned with the UN Global Compact's Principles and Sustainable Development Goals, to create long-term value for our shareholders while supporting environmental and societal priorities.

Contribute to economic growth and society	Explore innovative, sustainable solutions	Act responsibly
<ul style="list-style-type: none"> Reduce poverty. Provide quality education to all. Support entrepreneurship. 	<ul style="list-style-type: none"> Build innovation in line with Blue Economy principles. Develop new solutions and partnerships (energy efficiency, smart systems & processes, eco-friendly materials, synergies etc.). 	<ul style="list-style-type: none"> Reduce our environmental footprint. Place people at the heart of the Group's strategy and decision-thinking. Doing business while applying the best governance practices.

Sustainability reporting grounded in best international practices

IBL adheres to the highest global standards to monitor, assess and report on its sustainability practices. By incorporating the Ten Principles of the UN Global Compact (UNGC) into its strategy and operations, IBL is moving towards upholding its commitment to people and the planet, and contributing to the United Nations' Sustainable Development Goals (SDGs). We published our first Communication on Progress (CoP) in November 2018, with the next one set for publication in November 2019.

IBL Ltd is also listed on the Stock Exchange of Mauritius Sustainability Index (SEMSI) since 2017, which demonstrates our accomplishments in the areas of sustainability, good governance and transparent business practices.

IBL is committed to reporting transparently on its sustainability initiatives. To this end, we are working towards employing the Global Reporting Initiative (GRI) Standards, the world's most widely-adopted global guidelines for sustainability reporting, to disclose our impacts to our stakeholders, identify and manage our risks, and improve our governance and stakeholder relations. It will also enable us to measure our progress over time.

We recognise that sustainability reporting is an ongoing, evolving process that requires a Group-wide effort. Moving forward, we intend to make measurable improvement in how we communicate our sustainability performance to our stakeholders.



Scan this QR code to learn more about the UNGC Principles.



Scan this QR code to learn more about the SDGs.

Formalisation of our Sustainability objectives

Last year, we recognised the need to strengthen how we report on our sustainability practices and how we raise awareness of the biggest issues affecting the Group. The table below outlines our progress in these key areas.

Objectives set for 2018-19	Performance against objectives	Priorities for 2019-20
Formalisation of Group-level sustainability policy.	<ul style="list-style-type: none"> Audited existing sustainability initiatives across the Group. Deployment of IBL Group sustainability policy and adoption of IBL Code of Business Ethics. Group-wide effort to identify Blue Economy initiatives, 6 of which will be tested and/or implemented next year. Potential for synergistic opportunities across the Group, while reducing IBL's overall environmental impact. (Case study p. 84) 	<ul style="list-style-type: none"> Increase the sharing of best practices across the Group, enabled by IBL's Sustainability Champions. Ensure the successful implementation of the 6 high-priority Blue Economy projects.
Monitoring and reporting: <ul style="list-style-type: none"> Roll out materiality analyses to Group businesses and provision of training to encourage them to report on their environmental, social and governance impact based on GRI Standards and SDGs. Begin to collect Group-level data based on relevant KPIs in order to report on Sustainable Development Goals / United Nations Global Compact at IBL level. 	<ul style="list-style-type: none"> Roll-out of materiality studies to 22 companies, in accordance with GRI Standards and SDGs. Of these 22 companies, 5 of them (LUX*, AfrAsia, CIDP, Logidis and FdM) are in the process of implementing a plan of action. Collected Group-level data and reporting against SDGs. (Sustainability roadmap p. 82) 	<ul style="list-style-type: none"> Conclude materiality analyses and define a plan of action for each entity. The results of these analyses will also allow IBL to have a concrete representation of its greatest challenges moving forward, and to settle on an adequate strategic plan. Formalisation of the data collection and monitoring in order to follow our performance.
Training and awareness-raising: <ul style="list-style-type: none"> Roll out sustainable development e-learning modules and sustainability trainings. Develop sustainable development community/taskforce within IBL. Continue to raise awareness of sustainability issues and grow sustainable development community within IBL via regular meetings and communication via memos, the IBL blog and newsletter, etc. 	<ul style="list-style-type: none"> Launch of sustainability e-modules for new employees. 1st Sustainability Summit held in Mauritius by AfrAsia, in collaboration with IBL Together and the UN. Launch of a sustainability communication platform and community strengthening. 	<ul style="list-style-type: none"> AfrAsia to host 2nd Sustainability Summit in October 2019 to explore Blue Economy solutions and how to drive the SDGs to the next level. 200 participants are expected to attend. Continue developing awareness solutions and training programs across the Group. Work towards changing mindsets and incorporating sustainability practices across all Group functions and activities.

Sustainability

Progress on our Sustainability roadmap

Our sustainability approach relies on factoring Environmental, Social and Governance (ESG) considerations into our decision-making, so we can create long-term value for our business, for our stakeholders, for society at large and for our planet. We do so by focusing on three areas of concern.

People and stakeholders To be a responsible employer and business in Mauritius and abroad, while taking care of all our stakeholders, including our team members	Ethics and governance To apply good business and governance practices and disseminate them to our stakeholders	Added value and environment To manage our environmental footprint by improving business practices, innovating and taking advantage of sustainable business development opportunities
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IBL also differentiates itself by its approach to sustainability, which extends beyond simply implementing green economy initiatives. Instead, we have adopted principles of the Blue Economy, which focus on responding to basic needs using what we already have, introducing innovative products and services to the market, generating employment and creating more value.

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Objectives set for 2018–19	Performance against objectives	Link to SDGs	Priorities for 2019–20
People and stakeholders			
<ul style="list-style-type: none"> Continue to implement IBL's Human Capital strategy. Continue to work with and invest in the communities in which IBL operates. Continue to improve engagement with stakeholders to understand their concerns. 	<ul style="list-style-type: none"> Carried out a Gender Diversity focus group (UNGC Labour/Human Rights). 	SDG 5	<ul style="list-style-type: none"> Increase gender diversity initiatives across the Group to close the gender gap. Development and implementation of the IBL Leadership Brand across the Group. Develop effective talent-management processes. Complete restructure of Human Capital department and ensure that it successfully carries out its strategy as defined in the Human Capital Transformation Project. Nurture an IBL Together culture built around IBL's values. Following Great Place To Work (GPTW) survey results, work on a plan of action to improve work-personal life balance for team members (e.g. flexible working).
	<ul style="list-style-type: none"> Signed the CEO Statement of Support for the Women's Empowerment Principles (WEPS) and integration of its principles for increased gender equality (UNGC Labour/Human Rights). 	SDG 5	
	<ul style="list-style-type: none"> Carried out Gender Gap Analysis within 25 companies to identify gaps, strengths and weaknesses in gender equality (UNGC Labour/Human Rights). 	SDG 5	
	<ul style="list-style-type: none"> Conducted focus groups across IBL to include our stakeholders and their concerns in the materiality analyses of companies. Increased dialogue with employees and stakeholders to raise awareness of sustainability issues. 	SDG 8	
	<ul style="list-style-type: none"> Implementation of policies and procedures across the Corporate Centre and operations, relating to the main events in the employee's lifecycle (recruitment, onboarding, short-term incentives, etc.). 	SDG 8	
	<ul style="list-style-type: none"> Carried out specialised workshops on labour laws. 		
	<ul style="list-style-type: none"> Alignment of remuneration packages with market rates. 	SDGs 1, 4	
	<ul style="list-style-type: none"> FJL provided funding to 7 NGOs. (UNGC Human Rights) 	SDGs 1, 4	
	<ul style="list-style-type: none"> FJL carried out logic models to measure the impact of its projects in Bois Marchand and Chemin Rail. It also continued its activities to alleviate poverty sustainably. (Corporate Social Responsibility p. 86) 	SDGs 1, 4	

Objectives set for 2018–19	Performance against objectives	Link to SDGs	Priorities for 2019–20
Ethics and governance			
<ul style="list-style-type: none"> Continued improvement of Group-level oversight of Sustainability, strategy and risk management. Institutionalisation of sustainability monitoring and reporting in order to improve accountability. 	<ul style="list-style-type: none"> Integration of sustainability risks into the risk assessment. Implementation and diffusion of IBL Group sustainability policy. Adoption of IBL Code of Business Ethics (UNGC Anti-Corruption). Strengthened the community of Sustainability Champions through a tool enabling them to communicate more effectively and frequently. 	SDG 16	<ul style="list-style-type: none"> Continue to train and empower Sustainability Champions. Launch of e-learning modules on the Group's Code of Business Ethics. Ensure clear understanding and adoption of the Code by all team members. Launch of Ethics and Anti-Corruption Awareness programme throughout IBL's Corporate Centre. Programme to then be adapted to IBL's operations.
	<ul style="list-style-type: none"> Materiality studies carried out in the companies in order to identify material sustainability issues per business. Launching of Personal Data Protection e-learning modules and Data Protection Awareness and Compliance programme (UNGC Human Rights). 	SDG 16	
Added value and environment			
<ul style="list-style-type: none"> Feasibility study of 6 Blue Economy initiatives. Reduce use of fossil energy by implementing energy-efficient methods across the Group. Explore renewable energy sources and innovations. Continue to support local entrepreneurs who seek to address sustainability issues. Create partnerships at national level to implement waste management solutions. 	<ul style="list-style-type: none"> Confirmation of the opportunity of 6 priority projects in the areas of responsible production and consumption, sustainable cities, clean energy and innovation (UNGC Environment). 	SDGs 2, 3, 6, 7, 8, 9, 11, 12, 13, 17	<ul style="list-style-type: none"> IBL to participate in Zermatt Summit in Switzerland to discuss sustainability challenges and bring solutions to insular nations such as Mauritius. Implement the Blue Economy projects. Roll out solutions in favor of the 3 R's – Reduce, Reuse, Recycle, and develop industrial ecology and Circular Economy initiatives. Carry out energy audit exercise for the remaining 40 IBL sites. Monitor and measure energy efficiency in 20 Winner's supermarkets. Joint ventures with experts to continue looking for energy efficient solutions. If approved, carry out two major renewable energy projects: solar panels and kite-powered energy.
	<ul style="list-style-type: none"> 30 out of 70 IBL sites were audited on their energy efficiency practices and 20 Winner's supermarkets have implemented energy-efficient solutions (UNGC Environment). 	SDGs 7, 9, 13	
	<ul style="list-style-type: none"> Set up of an Environment Dashboard to gather data relating to Energy, Water and Waste. 	SDGs 7, 9, 13	
	<ul style="list-style-type: none"> Creation of IBL Energy Ltd, the vehicle through which IBL intends to invest into renewable energy and Joint Venture with experts set up (UNGC Environment). 	SDG 12	
	<ul style="list-style-type: none"> Support to a local waste management entrepreneur through The Bee Equity (UNGC Environment). 	SDG 12	
	<ul style="list-style-type: none"> Launch of responsible products in our fast-moving customer goods, import and distribution activities (UNGC Environment). 	SDGs 6, 12, 14, 17	
	<ul style="list-style-type: none"> IBL Group companies partnership with Mauritius Port Authority. Daily clean-up of the Caudan Harbour, resulting in the collection of 4.7 tonnes of waste between October 2018 and June 2019, of which 2.3 tonnes of plastic waste were recycled (UNGC Environment). 		

Sustainability



Case studies

The Blue Economy

IBL differentiates itself by its commitment to the Blue Economy principles, promoted by Dr Gunter Pauli. Under his stewardship, IBL began integrating these principles into how it operates. We are moving toward business models that introduce sustainable innovations resulting in benefits that go beyond profits. By favouring local production and local resources to meet sustainably local needs, we inject money back into the local economy, generate more employment and welfare, while improving our competitiveness in the global market.

IBL has therefore joined the Zero Emissions Research and Initiatives (ZERI) network, and is now promoting it across Mauritius. This global think tank of entrepreneurs views waste as a resource and uses the outputs of one process or industry as inputs for another. The ultimate goal is to achieve zero waste and zero emissions.

The steps we took

Step 1	Gunter Pauli conducted a number of workshops with several IBL companies (LUX*, Azuri, Bloomage, Phoenix Bev, IBL Engineering, Alteo...) to assess new project opportunities.
Step 2	<p>30 projects were identified. Of these, 6 were singled out as high priority:</p> <ul style="list-style-type: none"> • Production of detergents out of waste collected at hotels • Energy efficiency in construction and architectural designs • Methanation • New source of renewable energy through kite power and storage of renewable electricity • Beer co-products • Production of mushrooms out of waste

These key projects, which we will begin implementing as early as next year, have already encouraged a sharing of knowledge across entities and a shift towards a more collaborative business model. They also simultaneously have a positive impact on several areas: Economic development, Employment, Education, Resilience, Health and Environment. Some of these innovations represent major game-changers in their respective industries, and for the country at large. We believe that continuous investments in Blue Economy methodologies will largely contribute to the growth and resilience of IBL—and of Mauritius—by generating employment, reducing our impact on the environment, improving health (zero pesticide) and enabling the island to transition towards self sufficiency in food and energy (particularly through kite power).

The Blue Economy, by its nature, is inclusive and seeks to respond to the needs of all. Therefore, moving forward, IBL intends to establish partnerships with key stakeholders at a national level to explore solutions that benefit everyone equally. In addition, we are committed to supporting local entrepreneurs whose ventures are focused on tackling sustainability issues. These Blue Economy initiatives, which are in line with IBL's goal of reducing its energy consumption and carbon footprint by a third by 2021, will reveal further opportunities and mutually beneficial results across the Group's operations and clusters.



Scan this QR code to watch a video about our collaboration with Gunter Pauli.

Women's Empowerment Principles

Since its inception in 2010, the Women's Empowerment Principles (WEPs) initiative has engaged over 2,000 businesses globally, transforming how they manage their policies and practices to advance gender equality. In October 2018, IBL rose to the challenge and reaffirmed its support in empowering women by signing the CEO Statement of Support. Women play a vital role in IBL's success and signing the WEPs reflects our commitment to building a diverse and inclusive culture. It is also aligned with our human rights related policies, which stand against violence, discrimination and harassment. Ultimately, unleashing the potential of women is beneficial to our productivity, bottom line and communities.

Established by the United Nations Entity for Gender Equality, the Empowerment of Women and the UNGC, the WEPs' seven principles offer guidance on how to promote gender equality in the workplace, marketplace and community.

The steps we took

Step 1	Last year, we made notable progress in recognising and promoting the strengths and added value of women at IBL. Women make up 55% of our workforce within the Corporate Centre, for instance, and two women are now on IBL's Board of Directors.
Step 2	A gender diversity inclusion task force has been set up in order to tackle gender diversity and inclusion at Group level and make recommendations.
Step 3	We conducted a Gap Analysis within 25 companies to identify their strengths, weaknesses and areas of improvement. The questions covered four main themes—Leadership, Workplace, Marketplace and Community—with topics including commitment to a gender equality strategy, equal pay, recruitment, and women's health, amongst others. Our overall result being 20%, we recognise that we have opportunities to do more. We intend to formally commit to a gender diversity and inclusion charter, implement it and measure our progress over time.

Closing the gender gap requires deliberate policies and actions. We are committed to working towards gender equality by addressing key issues that affect women and promoting their full participation and leadership across IBL, and beyond.



Scan this QR code to learn more about the Women's Empowerment Principles.

Corporate Social Responsibility

Our approach to CSR

Corporate Social Responsibility forms an integral part of IBL's sustainability commitment. Given our scale and position, we believe we can make a profound impact on the community and create a brighter future for all. Driven by the Group's core values and mission, IBL contributes to the development of society through various entities:

- Fondation Joseph Lagesse (FJL), the main vehicle through which IBL delivers its CSR programmes,
- Small Step Matters (SSM), a crowdfunding platform,
- Les Cuisines Solidaires, a non-profit organisation that prepares and delivers daily meals to NGOs in the region of Curepipe,
- Nou Zenfan Bois Marchand, the new entity for FJL's early childhood educational programmes in Bois Marchand,
- IBL's CSR committees who carry out various local initiatives including Projets Sourire, and
- IBL On The Move, IBL's major fundraising sport event that channels participants' registration fees to one selected beneficiary NGO.

The CSR sector in Mauritius

As explained in the last IBL Integrated Report, the CSR sector in Mauritius has suffered a major change in its practices and reduced leeway, with 50% of funds channelled to the Mauritius Revenue Authority (MRA) as a CSR tax¹. In this context, pursuing our CSR commitment is proving increasingly challenging.

Since 1 January 2019, private companies have been subject to an additional 25% reduction in their CSR funds and are required to pay a total of 75% of their CSR funds to the MRA. Only 25% of CSR funds are now available to implement IBL's own social programmes and initiatives, and support long-term partners NGOs and underserved communities. Companies can request to recover the additional 25% from the National Social Inclusion Foundation (ex-National CSR Foundation) to continue supporting programmes launched prior to 1 January 2019. This legal constraint deprives FJL and partner organisations from their main source of funding, namely CSR funds.

As a result, in the last two years, FJL has faced a substantial loss of direct income from CSR funds, decreasing from Rs 65.6 million in CSR revenue for an 18-month financial year in 2016-17² to Rs 18.7 million in 2018-19. It is anticipated that FJL, as IBL's main CSR vehicle and on-the-field non-profit organisation, will have to review its strategy and approach, and reduce its scope of activities over the next two years.

The impact is directly borne by beneficiaries: vulnerable communities, families and long-term partner NGOs (including Caritas, Kinouété or Terre de Paix) who were relying heavily on FJL's support to implement their programmes. Despite the substantial amount of CSR funds collected by the MRA over the last two years, the National Social Inclusion Foundation's annual General Call for Proposals is not a consistent source of funds for registered NGOs. FJL, which registered as a non-profit organisation under the National Social Inclusion Foundation, responded to the General Call for Proposals by submitting two projects last year. It obtained a Rs 2.9 million grant under this programme for one of its projects, while the second project was rejected. An appeal was made to the Board but was subsequently rejected.

¹ Due to a change in legislation in 2017.

² FJL had an 18-month financial year running from January 2016 to June 2017 with a CSR income of Rs 65,646,186.

Fondation Joseph Lagesse Four areas of intervention



Improving access
to quality education



Enhancing youth's
development



Promoting social justice and
human dignity



Empowering
communities

Research and impact evaluation

FJL considers evaluation and research to be vital components of its CSR programmes. Last year, it set up a Research and Evaluation Unit with the aim of better evaluating and measuring the impact of its initiatives. A logic model, indicating how each programme meets the community's needs, was first established. A retrospective evaluation of the social housing project at Chemin Rail was then carried out, and a prospective evaluation on the educational programmes run at Bois Marchand is scheduled for later this year.

The case study on Chemin Rail can be found on FJL's new website: www.fondationjosephlagesse.org

Contribution to SDGs

16 projects and ongoing programmes, most of which are focused in Bois Marchand and Chemin Rail, have been designed and implemented by FJL.

Communities we serve	Projects and programmes	Link to SDGs
Improving access to quality education		
Bois Marchand	<ul style="list-style-type: none"> · Pre-primary education (50 children). · After-school activities programme (40 children). · Home visits programme (160 families). · Food programme for children at school. 	SDG 4
Enhancing youth's development		
Bois Marchand	<ul style="list-style-type: none"> · 18-month youth project: street art, life skills and professional orientation (30 teenagers and young adults) 	SDGs 8, 10
Chemin Rail	<ul style="list-style-type: none"> · Dombeya Agricultural Youth Club: community gardening project and Happy Bees project, a beekeeping initiative (11 youth) · Youth Orientation programme: supports youth during transition phase between school and professional life (10 youth) · FJL Scholarship Scheme (14 youth) 	SDGs 4, 8
Promoting social justice and human dignity		
Bois Marchand	<ul style="list-style-type: none"> · Health Project (72 children) · 17th October annual initiative: support for the women in Singamanee for better living conditions (4 women) 	SDGs 3, 10, 11, 1
Empowering communities		
Bois Marchand	<ul style="list-style-type: none"> · Capacity-building for facilitators (13 facilitators) · Parenting programme (22 parents) · Enn Zoli Bois Marchand embellishment programme (30 participants) · Drug prevention programme (70 participants in 4 community coalitions) · Housing improvement project 	SDGs 10, 3, 1, 11
Chemin Rail	<ul style="list-style-type: none"> · Housekeeping programme for the residents of the new social housing project (11 families) 	SDGs 1, 11

Corporate Social Responsibility

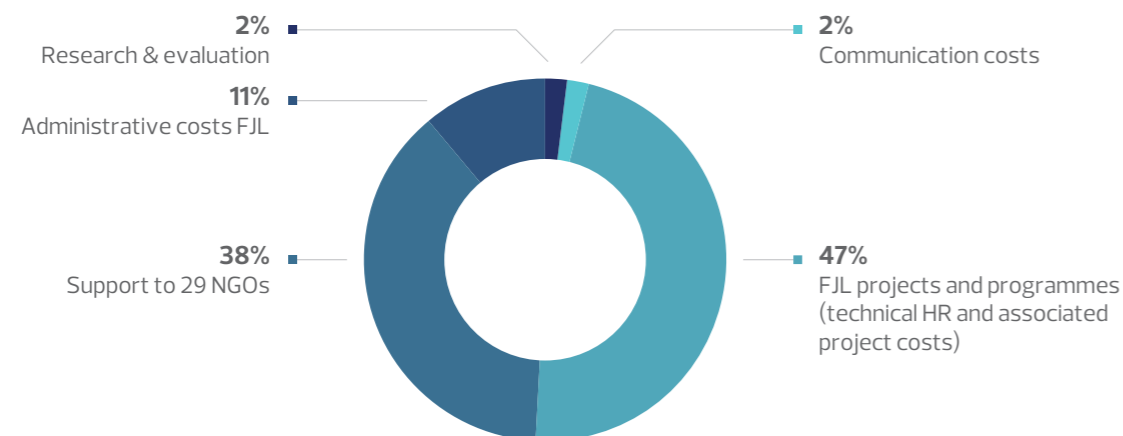
Other social initiatives

- Offered one-time emergency assistance to two families and two homeless beneficiaries, including health treatment in India.
- Extended financial support to 10 organisations.
- Implemented 19 initiatives through Projets Sourire, which are local community projects managed by CSR committees within IBL businesses, reaching 917 children.

NGO	Funds received from FJL (Rs)
Caritas	1,200,000
Terre de Paix Fondation pour l'Enfance	420,000
Kinouété	381,820
Soleil de l'Ouest	210,000
Pedostop (Colin Mayer Tour fundraising)	35,000
PTA of Serge Coutet Government school	180,000
Safe Haven (Gender Links)	191,600
St. Gabriel vocational school	88,200
Collège St. Patrick	72,000
Grand Gaube football club	0
Young Spirit Association (IBL On The Move fundraising event)	708,900
TOTAL	3,487,520

Allocation of funds

About 80 different IBL companies, as well as other individuals and businesses, have made contributions to FJL, who disbursed the funds as illustrated in the table below.



Case studies

Crowdfunding: "Anyone can contribute to the social development of their community"

Small Step Matters (SSM), a donation-based crowdfunding platform, is now in its fourth year of changing lives. Of the 70 projects it has endeavoured to help, it has successfully raised Rs 1.4 million to fund 20 projects in Mauritius and one in Rodrigues, in the areas of alleviation of poverty, health, sport, environment and education. Through crowdfunding, individual donors or companies can support projects that matter to them, while rallying people and communities around a common cause. With new legislations in place, SSM seeks to strengthen the community and make the world a better place, one step at a time.



Les Cuisines Solidaires, ensemble contre la faim

Les Cuisines Solidaires, a non-profit organisation located in Forest Side, aims to drastically reduce wasted unsold food. By collecting approximately five tons of food waste from nearby supermarkets each month, it is able to make and distribute 400 meals a day to underprivileged families in neighbourhoods surrounding Curepipe. Additionally, the project employs women from underserved areas, helping them build up their resume for future opportunities. Les Cuisines Solidaires is 100% funded by IBL, with an investment of Rs 1.9 million made in 2018-19.

Nou Zenfan Bois Marchand to take over FJL's activities in Bois Marchand

FJL has long been active in the village of Bois Marchand, having implemented youth projects, food support programmes and a long-term education programme. In order to facilitate its running, a dedicated entity, "Nou Zenfan Bois Marchand", was created to take over FJL's activities in the village. The entity's eleven employees are responsible for running the pre-primary schools, home visits, after-school activities and the food programme for children.

Risk Management Report

Delivering on our ERM framework

Our roadmap

Last year was a milestone year as it saw the creation of our risk management function within the IBL's Corporate Centre and the appointment of a Head of Risk Management and Compliance. This year, the risk management structure was further strengthened with:

- the appointment of a Senior Risk Officer;
- the integration of the operational compliance function within the risk function;
- the appointment of an internal Compliance Manager.

Both members report to the Head of Risk Management and Compliance.

In terms of our ERM roadmap, our progress is illustrated below:

Step 1 2017-18	Step 2 2018	Step 3 2018-19 <i>Where we are now</i>	Step 4 by 2021	Step 5 by 2022
<ul style="list-style-type: none"> • Full Board support: Tone set from the top. • Allocation of resources to set up the risk management function, including appointment of a Head of Risk Management. • Creation of tailored approach for each risk maturity group. • Design of a risk management structure. 	<ul style="list-style-type: none"> • Preliminary analysis of Group entities and initial classification by risk maturity. • Design of IBL Group risk register. • Design of risk management dashboard. • Drafting of a risk management policy and guidelines, in line with the Group's risk appetite. 	<ul style="list-style-type: none"> • Official launch and start of campaigns to raise awareness of IBL's risk management framework. • Buy-in from senior management of IBL. • Identification of Risk Champions. • Implementation of risk management policy and framework. 	<ul style="list-style-type: none"> • Risk management embedded at the level of senior management and departmental heads. • Automatic linking of risk management to strategic objectives. • Implementation of an ERMF software. • Continued the deployment of ERMF in other clusters. 	<ul style="list-style-type: none"> • Risk management gaining maturity across all Group entities and employees, top-down and bottom-up. • Systematic, coordinated and proactive identification, recording, reporting and monitoring of risks at all levels to achieve strategic goals or objectives.

Milestones	What has been done to reach step 3
<ul style="list-style-type: none"> • Official launch and start of campaigns to raise awareness of IBL's risk management framework. 	<ul style="list-style-type: none"> • Preliminary meetings held with all COOs to present department activities. • Risk review meetings with Executives at corporate and business levels. • Presentation of department's strategy to Group Head of Corporate Services.
<ul style="list-style-type: none"> • Buy-in from senior management of IBL. 	<ul style="list-style-type: none"> • Participation of senior management in risk management activities such as risk rating exercise and risk reviews. • Risk register reviews undertaken for several subsidiaries.
<ul style="list-style-type: none"> • Identification of Risk Champions. 	<ul style="list-style-type: none"> • Risk Champions identified and ready to be nominated at Corporate Centre level.
<ul style="list-style-type: none"> • Implementation of risk management policy and framework. 	<ul style="list-style-type: none"> • Risk identification exercise within Corporate Centre to identify risks. • Ongoing discussion on risk appetite and tolerance with senior management. • Presentation and discussion on risk appetite parameters to members of the Audit and Risk Committee. • Engaging with service providers to identify Group risk monitoring and reporting tool. • Implementation of additional controls to monitor IBL's top risk 2017-18. • Implementation of Data Protection Awareness and Compliance programme and activities. • Risk identification exercise deployed within seafood segment. • Continuous improvement program followed by Risk Management team, including trainings. • Monitoring of top risks and regular reporting to Audit and Risk Committee. • Group top risks reassessed by carefully selected management team panel. • Revised and approved Code of Business Ethics communicated across IBL.

Tools and processes

IBL's ERM framework revolves around the tools and processes described below.

Continuous training & awareness	Roadmap	Guides us in the implementation of our risk management framework.	✓
	Risk Management policy statement	Demonstrates commitment from the Board and describes our risk management process.	✓
	RACI chart	Segregates and clarifies risk management roles and responsibilities.	✓
	Risk Management guidelines	Describes risk management activities and the processes for risk identification, monitoring and reporting.	✓
	Risk appetite and tolerance	A risk appetite statement that expresses the amount and type of risks that we are willing to take. This is a stepping stone for comprehensive risk appetite parameters at IBL.	⊙
	Audit and Risk Committee	Oversees the adequacy of the risk management framework. Receives and reviews reports from the Head of Risk Management and Compliance.	✓
	Risk reporting and monitoring tools	Tools used at company or Group level to report or monitor risks, such as risk registers, risk dashboard, risk map.	✓

✓ In place ⊙ Partially in place

Key practical skills and considerations to implement an ERM framework

Successful implementation of an ERM framework is about buy-in and commitment from our leaders at all levels. Taking this into consideration, we are building the following skills and mindsets into our risk management approach and activities.



Risk Management Report

Risk Management roles and responsibilities

The chart below sets out the roles and responsibilities for risk management at IBL.

Area of focus	Board	ARC ¹	RM team ²	Risk Champions	Risk owners	Control owners
Risk Management approach and process	A	C	R			
Implementation plan	I	A	R			
Risk management policy	I	A	R			
Risk management guidelines	I	A	R			
Risk appetite & tolerance	A	C	R	C		
Risk registers & dashboard	A	I	R	C	C	C
Risk mitigating action plan		I	I	A		
Monitoring of risks	I	I	I	A	R	R
Effectiveness of controls	I	I	I	A	R	R
Report on risks (existing & emerging)	I	I	A	R	C	
Training & awareness	I	I	R			

R Responsible **A** Accountable **C** Consulted **I** Informed

¹ Audit and Risk Committee
² Risk Management team

Risk Management in motion – Seafood

IBL has adopted three approaches depending on the risk management maturity levels of each respective cluster or company (depending on the size).

Low Maturity	Medium Maturity	High Maturity
Full risk management support from Group function. Assistance is provided across the risk management process, from risk identification to risk reporting.	Partial risk management support focused on closing the key gaps in the risk management process.	Limited risk management support from the Risk Management team of IBL Group. Focus will be on monitoring the completeness of the management of risks and ensuring appropriate risk reporting at Group level.

With the buy-in of IBL's Group Head of Operations, we identified the seafood segment as the first IBL operation to which we would apply the risk management approach. In this case, we decided to provide full risk management support since companies of the cluster had different risk maturity levels.

Achieved	In progress	Next steps
<ul style="list-style-type: none"> Buy-in from key Executives. Risk management as part of KPIs. Identification of Risk Champions. One-to-one meetings with the function Executives to understand context and strategic risks. One-to-one meetings with General Managers and Heads of departments to identify operational risks for each company. Questionnaires sent to Managers of the Seafood companies. Specific risk management mailbox created to facilitate reporting process. Set up of risk registers. 	<ul style="list-style-type: none"> Validation of identified risks and controls. Prioritisation of risks and mitigation plans. Presentation of risk registers and recommendations to key cluster Executives. 	<ul style="list-style-type: none"> Development of risk appetite. Monitoring and reporting. Training and awareness.

Risk Management Report

Managing risks in practice

Cybersecurity threats – IBL's top risk 2017–18

As IBL's top-rated risk last year, we deployed significant resources to manage the risks associated with the security and confidentiality of data.

Effective cybersecurity correlated with the protection of sensible data require the close collaboration of IT/Security and Compliance teams. IBL's IT department deployed a range of initiatives to harden its security measures, such as:

- Appointment of a cybersecurity consultant to advise and help us in the selection of the appropriate security governance and framework;
- Investment for implementation of a Next-Gen Firewall for IBL's core infrastructure;
- Focus groups throughout IBL for the creation, ventilation and enforcement of new Information Security policies;
- Investment in state-of-the-art email security which provides for multi-layered protection against cyber threats;
- Investment in state-of-the-art cyber awareness and training platform for our end users on IT security topics;
- Monitoring of our users' risk posture and assessment of their cybersecurity knowledge and awareness;
- Group-wide initiative for security hardening of our cloud email platform;
- Investment in upskilling of internal cybersecurity resources;
- Vulnerability assessments of on-premise and cloud infrastructures; and
- Initiating the retirement of legacy systems with inadequate security capabilities within the Group.

Data protection: monitoring a compliance risk that has gained momentum during the year

Since early 2018, the local and global data protection landscape has been strengthened with the enactment of the new Mauritian Data Protection Act (MDPA) inspired from the European General Data Protection Regulations (GDPR). IBL is committed to protecting privacy, confidentiality and security of the personal data of all its stakeholders. Hence, we are closely monitoring the application of good practices towards the protection of personal data within IBL and we have, during the year, launched a Data Protection Awareness and Compliance programme. The Risk Management and Compliance teams have been dedicated to applying several initiatives within the programme to reach a trustful level of compliance.



Our Code of Business Ethics as a tool to mitigate risks

The Board approved a new Code of Business Ethics on 24 September 2018. During the same year, the Code was reviewed to close the remaining gaps with governance requirements and to clarify the process regarding the handling of potential or actual conflicts of interest at Board level. As a result, the Board has reviewed and adopted a new Conflicts of Interest/Related Party Transaction policy and amended the terms of reference of relevant Board committees to ensure adequate monitoring of these items.

The Code spells out the ethical behaviours which IBL deems essential and is supported by internal policies such as the Anti-Corruption policy and Data Protection policy which embed IBL's commitment to fight corruption, on the one hand, and to protect the privacy of its people, on the other hand.

The Code also contains a specific whistleblowing section called "Raising Concerns Openly". It provides for the process to report ethical issues. The Head of Risk Management, as Ethics Officer, drives the process and reports to the Audit and Risk Committee on the number of complaints received.

Our Code is an important risk mitigation tool, as it reaffirms the values of IBL and how to deal with risks such as governance, fraud and corruption, breach of confidentiality and conflicts of interest, amongst others

Risk appetite statement

This year, the risk management function has engaged in discussions at senior management and ARC levels on the definition of a risk appetite and tolerance statement for IBL. The conversations confirmed the fact that the notion of risk appetite is dynamic and challenging to formalise, especially for companies like IBL with an entrepreneurship DNA.

The below risk appetite parameters result from a balancing exercise between management's entrepreneurship approach and the desire to manage our risks efficiently. Our risk appetite statement was tailor-made to provide sufficient flexibility to Management/the Board, and yet a clear approach towards risk treatment in its day-to-day decision making.

When making business decisions, IBL frames the company's risk appetite within parameters including:

- Alignment with IBL's Vision, Mission and Values;
- Alignment with IBL's sustainability initiatives and commitments;
- Following the guidelines of its strategic investment framework regarding foreign business development initiatives;
- Consideration of environmental impact and human rights;
- Connection with strategic/commercial partners of good repute in terms of ethics and governance and applying enhanced due diligence process where necessary; and
- Zero-tolerance on corruption or corrupt behaviours.

Risk Management Report

Enhancing IBL's control environment

Risk management is part of the second line of defence, and during the year the control framework has been strengthened by:

- Investing in new resources to accelerate the deployment of the ERM framework;
- Setting up an operational compliance function to support the risk management function and service our businesses;
- Increasing our presence at operational level through regular visits to Risk Champions to better understand respective business risk management maturity, their challenges and opportunities, their key controls and create more and more awareness on risk management and its added value;
- Creating efficient relationships with the other lines of defence and working closely with Internal Audit function to enhance their actions within IBL's control environment and contribute to the overall risk management framework; and
- Nurturing interactions with the chairperson of the Audit and Risk Committee through regular meetings during the year.

The Head of Risk Management also attended the following IBL's Audit and Risk Committee meetings during the year:

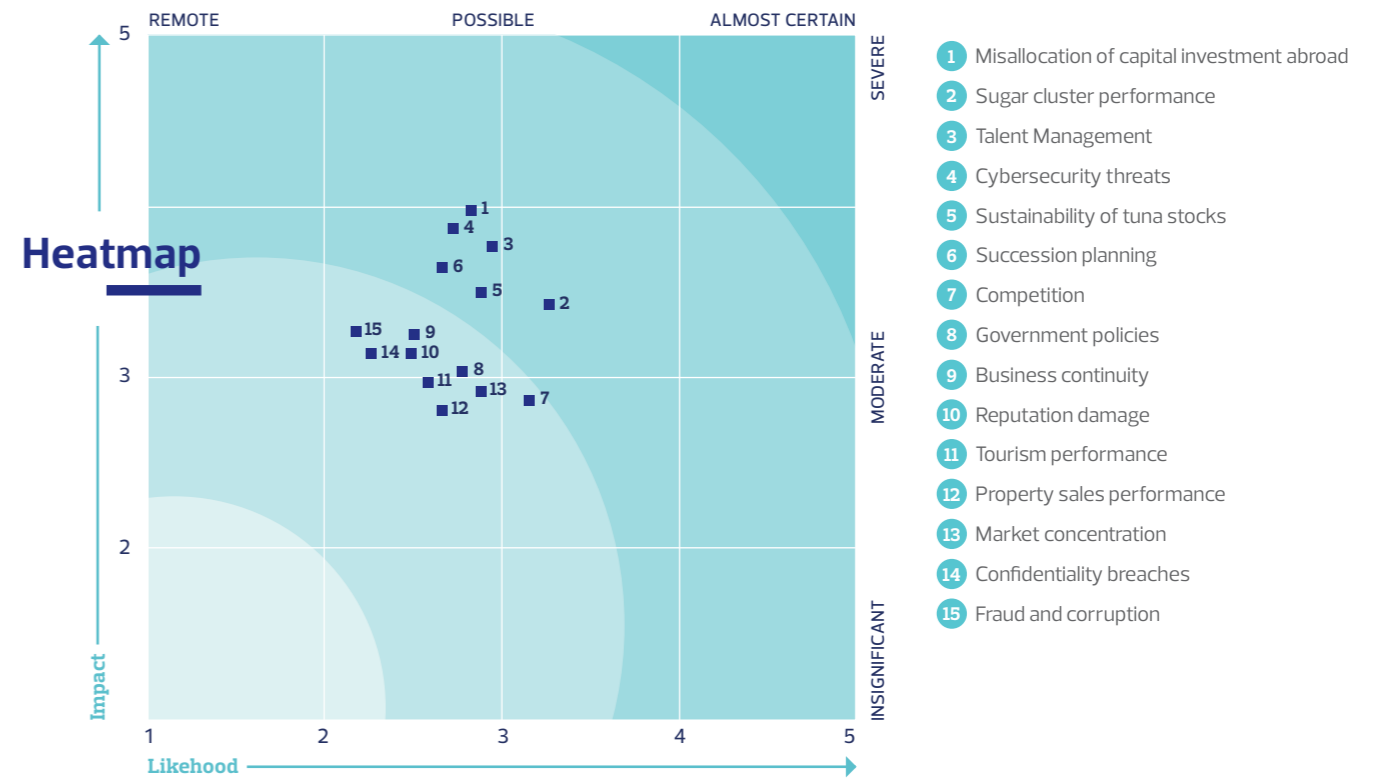
- 1 August 2018
- 6 November 2018
- 7 February 2019
- 4 June 2019

The Audit and Risk Committee received regular reports from the Head of Risk Management and was able to discuss and take stock of the following matters during the year:



IBL Group top 15 risks

Following an updated assessment of the Group's top risks, we present below our top 15 Group risks for the year (which include IBL's top risks) at residual level.



Analysis of main changes in our 15 top risks

- **Misallocation of capital investments abroad:** This risk emerged from our strategy of diversifying our businesses overseas, in particular in Africa, where the entry token is often material and related country and political risks high.
- **Succession planning and Talent Management:** As our Human Capital strategies are being embedded across the Group, we have seen increased awareness that clear succession planning and talent management are key to the sustainable growth of our business. Given the demographic context of Mauritius and particularly the lack of local resources, these risks emerged as top risks for the Group.
- **Tourism performance:** This risk emerged as a result of a decline in tourism performance during the period, resulting from a decrease in high value tourists, increasing competition through collateral offerings and other destinations, changes in consumer trends, attractiveness of the country, Brexit uncertainty, destination price competitiveness and air connectivity.
- **Fraud and corruption:** Our diversification abroad and our commitment towards doing business ethically, without compromise, identified fraud and corruption as a new top risk for the Group. This risk requires dedicated focus and investments towards the right mitigating efforts and resources.
- **Cybersecurity threats:** Our Group's top risk last year. The decreasing trend is a direct result of significant measures investigated towards managing this risk.
- The same applies to the risk of **confidentiality breaches** where the set of measures applied to manage cybersecurity risks have had a positive impact on the risks of confidentiality.
- **Business continuity:** Given the increasing dependency on technology, the risk of business continuity disruption has gained momentum during the year.

Risk Management Report

Please refer to our navigation icons on p. 5 to learn about the main capitals and p. 68 for more information on the Group strategy

Risk title	Description	Trend
1 Misallocation of capital investments abroad	Misallocation or erroneous decision making with regard to significant capital investments in projects abroad.	
2 Sugar cluster performance	Unfavourable global sugar market with pressure on prices and production costs severely affecting the financial performance of our Agro cluster.	
3 Talent Management	Inability to attract, develop and retain talent to support strategic objectives.	NEW
4 Cybersecurity threats	Increased attempts of cyber-attacks and security breaches of IT systems.	
5 Sustainability of tuna stocks	Reduction in the stocks of tuna impacting the supply of raw materials to the seafood segment, and indirectly impacting the financial performance of the Logistics and shipbuilding clusters.	

Mitigations	Main capitals impacted	Link to Group-level strategy
<ul style="list-style-type: none"> Learning from past failures in Africa. Strategic Committee in place to review investment projects. Stringent due diligence process on potential partners. Dedicated IBL African office and resource in Kenya to identify opportunities within given set investment framework and guidelines. Clear and structured approach to allocation of capital to projects and active portfolio management. Stringent due diligence on potential partners (strategic and commercial). Identification and training or recruitment of talent for new/key project positions. Adoption of risk management best practices in decision making process. 		
<ul style="list-style-type: none"> Geographical diversification towards markets less influenced by world/European Union market conditions or in which Mauritius enjoys a competitive advantage. Diversification into higher value-added products which are less sensitive to global market conditions. Diversification of income sources by optimising revenue from by-products. Improved productivity through operational excellence. Accelerated mechanisation/automation programmes. 		
<ul style="list-style-type: none"> Competitive remuneration packages aligned with market practice. Great Place To Work (GPTW) initiatives and follow-up actions to develop workplace excellence and conducive work environment. Tailor-made in-house trainings and development plans to develop staff skills and expertise and at the same time cater for the needs of companies. Ensuring that talent development and management plans are in place across the Group. Continued deployment of 3-year planned Human Capital strategy, which has now embarked on a Human Capital transformation process. Work/Life balance project initiated with setting up of project team. Continued initiatives to close the gaps of GPTW survey results. 		
<ul style="list-style-type: none"> New IT governance framework and reporting being implemented. Cyber/IT security roadmap developed. Due diligence on external partners undertaken. High-calibre IT specialists recruited. Financial resources deployed to enhance IT security framework. Mock testing of security protocols. IT Security awareness program launched. 		
<ul style="list-style-type: none"> Ongoing lobbying so that Indian Ocean Tuna Commission (IOTC) resolutions ensure sustainable tuna stocks in the Indian Ocean. Increased participation in the IOTC Working Groups, Scientific Committee and Commission meetings as part of the Mauritian delegation. Better management of regional quotas across the seafood industry, with additional fishing capacity to be chartered over the longer term. Increased presence within MEXA and promotion of the setup of a seafood association. 		

Risk Management Report

Please refer to our navigation icons on p. 5 to learn about the main capitals and p. 68 for more information on the Group strategy

Risk title	Description	Trend
6 Succession planning	Unclear succession plan for key Executives and management positions within the Group for businesses requiring particular skills and competences.	NEW
7 Competition	Intense competition in Mauritius as a result of the presence of new competitors (local & global) and launch of new products impacting our market share and Group margin.	↗
8 Government policies	Unfavourable government policy decisions, including fiscal and economic business environment, impacting Group strategies and performance.	↗
9 Business continuity	IT infrastructure breakdown leading to disruption of operations and long recovery time.	NEW
10 Reputation damage	IBL, being a top conglomerate in Mauritius and the region, is particularly vulnerable to events that may significantly impact its reputation and brand image, thereby impacting its business performance.	↔
11 Tourism performance	Decline in the number of high value tourists visiting Mauritius and attractiveness of the destination, as well as increasing competition negatively impacting the hotel industry performance and related industries.	NEW

Mitigations	Main capitals impacted	Link to Group-level strategy
<ul style="list-style-type: none"> Succession planning for the Group being discussed and gradually implemented by the Human Capital department. Talent monitoring through high-potentials identification and sounding of employment market via our recruitment arm. 		
<ul style="list-style-type: none"> Regionalisation/move into new markets. Development of new product categories for diversification purposes. More emphasis on business development to closely monitor overseas activities and seek out new business opportunities. Intensification of promotional and marketing campaigns to support development of brands. Deployment of digital strategy and investment in new technology. 		
<ul style="list-style-type: none"> Geographical diversification of earmarked activities to strengthen resilience. Engagement with relevant stakeholders in all markets to achieve better import control/regulations and support for industry. 		
<ul style="list-style-type: none"> Undertaking a review of existing infrastructure and upgrade backup/disaster recovery plans to minimise any downtime of current infrastructure. The Group's digital strategy promotes investments in new technologies to replace obsolete ones. Highly-qualified IT team in place and dedicated to this issue. 		
<ul style="list-style-type: none"> Promotion of the IBL culture via Group initiatives. Continued awareness-raising/promotion of IBL values and standards of ethical behaviour. Processes and communication plans in place to manage IBL's image and reputation. Corporate communication policy in place. Media monitoring in place. 		
<ul style="list-style-type: none"> International expansion (hotel management contracts in foreign countries). Diversification of revenues in foreign currencies (USD/EUR/GBP). Hospitality community to discuss/develop a strategy to improve the Mauritian destination. 		

Risk Management Report

Please refer to our navigation icons on p. 5 to learn about the main capitals and p. 68 for more information on the Group strategy

Risk title	Description	Trend
12 Property sales performance	Increasing competition from other local and foreign residential development projects, putting more pressure on sales capabilities and turnover.	
13 Market concentration	Over-reliance of Group results on the performance of Mauritian business activities.	
14 Confidentiality breaches	Unauthorised disclosure of confidential information or trade secrets resulting in loss of opportunities, reputation damage and loss of stakeholder's trust.	
15 Fraud and corruption	Internal and external acts of fraud, collusion, misappropriation of company assets, fictitious payments, impersonation or corruption.	NEW

Mitigations	Main capitals impacted	Link to Group-level strategy
<ul style="list-style-type: none"> Ensuring a robust development project screening process is in place. Adopting competitive pricing strategies. Ensuring the permanent adequacy of offerings to customers' needs. Favouring the proper diversification of the Group's activities by having a blend of property, office and retail development. Improving sales efficiency. Exploring new markets. Building attractive residences on prime sites to enhance demand. 		
<ul style="list-style-type: none"> Implementation of regional development strategy to export and launch businesses in the region. Setting up of a regional office in Kenya and appointment of a Regional Business Development Executive to drive the regional expansion strategy. Portfolio and currency diversification. 		
<ul style="list-style-type: none"> Awareness-raising regarding the importance of confidentiality and consequences of a breach. Promotion of ethical business behaviours and endorsement of Code of Business Ethics and Governance Charters. Enhanced IT security procedures to monitor access and confidentiality of data. Signature of specific confidentiality undertakings by key people. Launch of data classification project. Increased awareness of staff on data protection. 		
<ul style="list-style-type: none"> Code of Business Ethics and Anti-Corruption policy in place. Whistleblowing procedure with respect to unethical behaviours. Internal and external audits are in place. Cybersecurity team fighting against hacking and impersonation attempts. Internal procedures for monitoring and approval of payments. 		