



Strategy

60	Interview with the Group CEO
64	Macroeconomic Context
66	IBL's Covid-19 Response
68	Business Model
70	How we Engage with our Stakeholders
74	Group Strategy
76	Human Capital
83	Digital Transformation
86	Sustainability
91	Corporate Social Responsibility
94	Risk Management



Interview with the Group CEO



DURING THE PAST YEAR, COVID-19 HAS DISRUPTED SUPPLY CHAINS AND ENTIRE ECONOMIC SECTORS WORLDWIDE, WHILE FUNDAMENTALLY CHANGING THE WAY WE LIVE AND WORK. HOW HAS THIS AFFECTED IBL? HOW WAS THE GROUP PERFORMING PRIOR TO THE PANDEMIC?

IBL performed well for the first nine months of FY2020. During this period, we continued to successfully implement our strategy and were preparing for a strategic review to take us into our next phase of growth and development. A number of our businesses, including our Hospitality & Services cluster for example, were on track for a record year.

Despite the strength of these results, the Covid-19 pandemic began to have an impact on our performance early in the calendar year. From February onwards, as the pandemic gathered pace worldwide, we saw an increase in hotel booking cancellations that affected our Hospitality operations. By late March, Mauritius had closed its own borders and the island went into lockdown.

The initial lockdown period was hard on IBL's businesses and our people alike. Our Hospitality & Services and Building & Engineering clusters were the most severely affected, with activities including our hotel business, The Lux Collective, forced to temporarily close. We also had to delay several major investment projects, such as the redevelopment of LUX* Grand Baie and the launch of our new SOCIO hospitality brand, and cancel others altogether, including our acquisition of General Construction, the leading construction company in Mauritius. Our Property cluster also witnessed a considerable decline in sales to foreigners, while our air logistics business suffered from disruptions to imports and exports.

On a financial level, our revenues declined 6% to Rs 36.8bn (FY2019: Rs 39.1bn), with profit from operations dropping to Rs 453m (FY2019: Rs 2,211m), and the group reporting an overall loss before tax of Rs 1,267m versus a profit before tax of Rs 1,762m in FY2019.

HAVE ANY NEW OPPORTUNITIES EMERGED FROM THE CRISIS?

The past few months have demonstrated IBL's resilience. We have successfully adjusted to new market realities and new ways of doing things despite very challenging circumstances. In particular, our Commercial & Distribution, Agro & Energy, Financial Services and Seafood clusters all responded positively and performed commendably throughout the crisis and in its aftermath, thanks to our exceptional team members.

IBL's people have been at the heart of this response. Despite the physical distance between them during lockdown, our teams have been engaged, innovative and collaborative. They have proactively sought solutions to the challenges we faced, quickly putting new ideas and work methods into practice. Many of IBL's people even joined forces with the frontliners working to contain Covid-19 in Mauritius. I am very proud of and humbled by their altruism and energy. This is the real meaning of "IBL Together".

WHAT ACTIONS HAS IBL TAKEN IN RESPONSE TO THE PANDEMIC?

From the start, our priority has been to protect our teams and stakeholders while managing the impact of Covid-19 on our businesses and planning for recovery.

IBL anticipated a worldwide pandemic early in 2020, following signs that the virus was likely to become a global health emergency. With assistance from Ernst & Young and McKinsey, we modelled various scenarios to assess the potential evolution of the virus and its impact on our group. Since then, we have continuously reassessed our risks and reviewed our business continuity plans to ensure they are fit for purpose.

We also reinforced our Safety & Health measures and expanded our flexible working and Work-from-Home policies to ensure we could keep our people safe while continuing to serve our customers and clients at a distance.

As a result, we were able to quickly trigger our crisis management procedures when Mauritius went into lockdown in March 2020. Our Crisis Committee consists of executives from across various teams, from IT and Communication to Human Capital and Risk, and continues to meet weekly to expedite group-wide decisions. We have also brought team members from across different operations and industries together in working groups to coordinate our responses to shared challenges.



Interview with the Group CEO

Immediately after the lockdown was announced, we reorganised our activities to ensure we could continue to provide essential services to the Mauritian market without jeopardising the safety of our teams or customers. This meant adopting new ways of working at our retail outlet Winner's, wholesaler BrandActiv, Healthcare Operations (MedActiv and HealthActiv), cleaning and sanitising agent producer Blychem, and logistics businesses Logidis and Somatrans.

On a financial level, we took immediate steps to conserve cash and limit our overheads, with IBL's management teams taking voluntary pay cuts and certain staff benefits temporarily reduced or suspended. We also centralised our forex management and continued to closely monitor our operational budgets and working capital.

We have consistently engaged with our banking partners and the Mauritian Government to ensure their support and access national assistance schemes, particularly for our Hospitality & Services cluster. Despite generating little to no revenue in the final quarter of FY2020, our hotel business was therefore able to retain all of its staff.

As a group whose vision is to create a brighter future for all, we are aware of the devastating impact that the pandemic has had on our community, and we are working hard to alleviate the hardship it has caused. Soon after the outbreak, IBL launched two specialised testing centres outside major hospitals and developed an online HealthBot to help internet users identify potential cases of the disease, while also creating a fund to assist IBL team members affected by the crisis. IBL Operations including Winner's, PriceGuru.mu and QuantiLab also pivoted their activities to provide essential services and support national strategies to contain Covid-19, for instance by assisting the Government with the provision of food packs and specialist testing.

Finally, Fondation Joseph Lagesse and our group's other CSR entities sprang into action to donate food and essential items to front-liners and those most at risk.

WHAT IMPACT HAS THE CRISIS HAD ON IBL'S STRATEGY?

Though Covid-19 has led to major shifts in demand and consumption worldwide, it has also confirmed the soundness of IBL's diversification strategy. In the immediate future, we will therefore continue to pursue our strategic priorities of investing in Mauritian growth sectors while focusing on regional and international expansion. The crisis has also demonstrated the importance of continuing to invest in our people, digital transformation, and sustainability.

Human Capital

We are keenly aware that our group's ability to quickly and flexibly respond to new patterns of demand and adopt new technologies depends on attracting, retaining and upskilling a diverse talent pool. Over the past year, IBL therefore refreshed its Human Capital strategy to strengthen recruitment, onboarding, training and remuneration, building up our leadership skills and the capabilities that we need to remain competitive in the future. Our Human Capital report explains our approach in more detail.

[Human Capital Report p. 76](#)

Digital Transformation

The Covid-19 pandemic has accelerated the shift towards digital technology in many sectors, from financial services to healthcare and distribution, completely transforming business processes and ways of working. We are seeing new, digitally-enabled opportunities emerge, with retail supermarket Winner's and pharmacy chain MedActiv launching and expanding their e-commerce platforms, QuantiLab laboratory business now actively working with the national Government to carry out Covid-19 testing, and CIDP, our clinical research facility, starting to provide teleconsultations.

For IBL, this is a chance to fast-track our digital transformation and explore new digital opportunities, in addition to rethinking how we work. This year, we notably appointed a Group Head of Technology and Sustainability to spearhead our digital transformation strategy and created a new technology investment company, IBL Link, to rationalise our portfolio of digital ventures.

[Digital Transformation Report p. 83](#)

Sustainability

The pandemic has revealed the fragility of the world's economic and health systems. As one of the largest businesses in Mauritius, we have a responsibility to support those most in need and help create a more inclusive, sustainable future for our country. IBL is currently in the process of defining a group-wide sustainability approach. We are actively developing circular economy business models while seeking to minimise our social and environmental impact. We have also now created IBL Energy to capitalise on opportunities in the renewable energy sector.

For the first time this year, we are reporting on our activities using both the United Nations Sustainable Development Goals and the GRI standards, the world's most widely used standards for sustainability reporting. As both a Participant in the UN Global Compact since 2017 and a Founding Member of the Global Compact Local Network (Mauritius), I am pleased to reaffirm our group's support to the ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

[Sustainability Report p. 86](#)

This year marks Fondation Joseph Lagesse's 15th anniversary. Despite the challenging context for CSR funding in Mauritius, we strongly believe that our CSR activities are integral to our sustainability strategy and to the wellbeing of our community. Going forward, we aim to reposition the Fondation as a capacity-building entity that will help IBL Operations develop and deliver their individual CSR strategies.

[CSR Report p. 91](#)

GIVEN THE CHALLENGING DOMESTIC AND INTERNATIONAL CONTEXT, WHAT ARE IBL'S PROSPECTS IN THE SHORT-TERM?

While new Covid-19 vaccine candidates offer hope for the future, it is extremely difficult to predict the pandemic's evolution in FY2021. Mauritius' economic prospects depend in part upon the resumption of international travel and the recovery of our tourism industry. Our inclusion on the EU blacklist and FATF grey list is an additional concern and could potentially damage Mauritius' financial services sector. I am hopeful that we will soon be able to exit both lists.

In the immediate future, our priorities are to protect our people and other stakeholders from the impact of the pandemic, maintain rigorous financial controls, and keep our operations running with as little interruption as possible. The lack of visibility will require considerable agility from our management and teams. We will need to take a proactive and flexible approach to decision-making while continually monitoring the pandemic's evolution and changes to our operating environment. In the coming year, we also intend to assess and refocus our group strategy.

However, despite the prevailing economic headwinds, and with the exception of our travel and tourism-related activities, many of our businesses are already showing signs of recovery. We are also seeing new regional and international opportunities emerge, particularly on the African continent, and opened a new Marine Biotechnology Products factory in Ivory Coast in February 2020. Though ongoing border closures and international travel restrictions are affecting hotel businesses worldwide, The Lux Collective is also actively developing new commercial offers and targeting domestic markets to drive occupancy, particularly in China. We will continue to explore these opportunities in the coming year while positioning our hotels for the tourism sector's revival.

I therefore firmly believe that IBL will come out of this crisis as a stronger and more agile group.

ACKNOWLEDGEMENTS

This year more than ever, I would like to thank IBL's team members for their engagement and resilience despite the very difficult context. The way that our people have come together in the past few months to help their colleagues, clients and community speaks volumes about their patriotism and empathy, and about IBL's culture and values.

I am also grateful to IBL's Chairman, Jan Boullé, and to our Board of Directors for the support and advice they have provided to the executive team since the start of the crisis.







I hope this message finds all of our stakeholders safe and well.


















Arnaud Lagesse

























Group Chief Executive Officer

Macroeconomic Context

Major market trends	Impact on our business	Link to group strategic pillars
<p>The Covid-19 pandemic has created economic and social turmoil worldwide. In addition to causing a major slowdown in travel and trade, distortions to supply chains and interruptions to capital flows, it is currently forecast to cause a severe global recession. In Mauritius, a 13% contraction in GDP is expected for FY2020 alongside rising unemployment and a decline in household disposable income.</p>	<p>Significant impact on the following clusters:</p> <ul style="list-style-type: none"> · Building & Engineering (20% YOY contraction forecast for Mauritian construction sector) · Hospitality & Services (closure of all hotels during lockdowns in Mauritius and internationally, and 70% YOY contraction forecast for the Mauritian tourism sector) · Property – BlueLife (decline in property sales to foreigners and in tourism rentals) · Logistics – Aviation (disruption to imports and exports) <p>Least impact on:</p> <ul style="list-style-type: none"> · Agro & Energy · Commercial & Distribution · Seafood · Life & Technologies · Logistics (Shipping) 	  
<p>Changes to the Mauritian fiscal framework are creating an additional burden for businesses. Mauritius is no longer seen as a light-touch, fiscally stable environment. This represents a risk for the country's reputation and ability to attract global business.</p>	<p>Additional fiscal burden for all of IBL's Mauritian Operations in an already challenging environment, with knock-on effects for our group's financial health and ability to attract the right talent and foreign investment.</p> <p>Possible impact on our Commercial & Distribution, Financial Services and Property clusters if Mauritius becomes less appealing to international investors and brands.</p>	
<p>Regulatory changes: Mauritius has been placed on the FATF watchlist and EU blacklist, potentially impacting its competitiveness and its reputation as a credible International Financial Centre. It is also likely to make dealings with EU banks and customers and the receipt of foreign direct investment more difficult.</p>	<p>Significant impact on our Financial Services and Property clusters, which rely on international investment.</p> <p>Possible impact on our Commercial cluster if Mauritius becomes less appealing to international businesses and brands.</p>	
<p>Digital evolution: Opportunities and challenges presented by constant technological innovation, including the rise of e-commerce and remote working as well as changes to customer expectations, all amplified by the effects of the Covid-19 pandemic.</p>	<p>Digital transformation is driving rapid change in companies across all of IBL's clusters.</p> <p>Covid-19 has accelerated the use of digital services across the group and required companies to adapt their business models and integrate new technologies more rapidly than ever before. New opportunities for digital innovation have also emerged, particularly in our Commercial and Financial Services clusters.</p>	  
<p>Sustainability: Events such as the Covid-19 pandemic and United Nations Climate Change Conference COP 25 have created increasing awareness of environmental and social challenges. Companies are increasingly expected to act upon issues related to climate, water, packaging, poverty etc. These are therefore becoming key issues for Boards and investors.</p>	<p>Increasingly a reputational concern and an operational risk, especially given our headquarters in a Small Island Developing Nation that is highly vulnerable to climate change.</p>	

Main risks

- | | | | | |
|---|--|--|---|--|
|  Tourism performance |  Foreign currencies |  Forex fluctuations |  Sustainability of tuna stocks |  Volatility of commodity prices |
|  Pandemic |  Government policies |  Sugar cluster performance |  Property sales performance |  Cybersecurity threats |
|  FATF watchlist |  Industry performance |  Market concentration |  Climate change |  Technology efficiency |

Link to main group risks	How we are responding
         	<p>IBL's robust risk and crisis management frameworks allowed the group to swiftly respond to the threat of the Covid-19 pandemic. The crisis has made it clear that IBL's sectoral and geographical diversification is a significant strength. It has also demonstrated the soundness of our ongoing efforts to invest in our people, our digital capabilities and our sustainability as a business.</p> <p>The outlook for 2021 and beyond remains uncertain. It is unclear how long the pandemic will last, how deep the resulting economic and social crisis will be, and what financial impact it will ultimately have on our group. It is likely that some of the new patterns of consumption that have emerged in the past few months will endure at least into the medium term. We will need to adapt our offering and way of working to these new customer needs and operational realities.</p> <p>Though this is a difficult time for our group, IBL is aware that it is an equally challenging time for our team members, customers and community. We have taken every care to protect and support our people and clients while providing assistance to the most vulnerable of our fellow citizens. p. 66</p>
 	<p>IBL actively participates in national debates regarding appropriate and proportionate fiscal policies and supports the maintenance of a stable fiscal environment that is attractive to foreign investors.</p> <p>IBL believes that this additional fiscal burden will represent a drain on Mauritius' economy overall, particularly at a time of reduced economic activity in the country. It may have the adverse impact of repelling current investors and prospects to more attractive jurisdictions.</p> <p>In the future, investment and divestment decisions will factor this component as a key parameter.</p>
    	<p>For the past decade, Financial Services cluster has been working with its global business clientele to encourage them to diversify geographically and adjust their business models. Our aim is to turn this risk into an opportunity.</p> <p>IBL also continues to work with national authorities to shape new legislation that meets FATF standards and addresses current weaknesses in Mauritius' financial system.</p>
  	<p>IBL deployed a Digital Transformation Strategy in FY2017. We recognise that if we are to remain competitive, we must proactively upskill our team members, integrate innovative new technologies and evolve our products and services to reflect the expectations of customers who are increasingly digital natives.</p> <p>The Covid-19 pandemic has accelerated IBL's Digital Transformation and brought a host of new competitors online, requiring us to rapidly complete our transition to flexible and remote working, find new ways to remotely engage with colleagues and stakeholders, and innovate on our offer to continue to create value for our customers. Going forward, we will seek to respond to the new opportunities and customer needs that are emerging in the post-Covid-19 landscape, while using technology to improve efficiency and minimise costs. p. 83</p>
   	<p>IBL actively works to ensure that our growth is sustainable. We seek to manage our economic and social impact while developing innovative new business models based on circular economy principles. The Covid-19 pandemic has sharpened our focus on food security, sustainable energy production and the promotion of the local economy. We have notably created a new Energy cluster to centralise our work on renewable energy production. p. 124</p>

IBL's Covid-19 Response

In February 2020, as the Covid-19 crisis gathered pace and it became clear that IBL's activities would be impacted, our group swiftly activated its crisis management arrangements. We took immediate measures to keep our business running without interruption while protecting our team members, clients and other stakeholders.

Ensuring our group's continuity

- Prior to the lockdown in Mauritius, IBL carried out scenario planning to model Covid-19's impact on the group, with support from McKinsey and EY. This allowed executives to assess IBL's risk and review strategy in a fast-evolving and uncertain context.
- Creation of a Group Crisis Committee including Corporate Centre executives from the Risk, IT, Safety & Health and Communications teams. The Committee held a few meetings between March and November 2020 in order to expedite group-wide decision-making.
- Two non-scheduled Board meetings held to approve key decisions and ensure Directors had oversight of IBL's evolving response and financial situation.
- Group companies replicated these responses at Board and management level to manage the impact on their individual business. The Corporate Centre also worked closely with their Boards and management teams to help them respond to the crisis.
- Thematic working groups on topics including Healthcare, Seafood, the EU Blacklisting etc. brought together Corporate Centre and Operational staff to address key challenges, coordinate responses and exchange best practice.
- Strict cashflow management and cost-cutting measures including:
 - A group Forex conversion policy overseen by the Corporate Centre
 - The suspension of all unnecessary capital expenditure
 - Careful management of operational budgets
 - Voluntary temporary salary reductions of up to 15 percent in the Corporate Centre and among Operations' management teams
 - The temporary reduction or suspension of other staff benefits
- Risk profiles and risk management protocols updated in Corporate Centre and Operations.
- New IT controls implemented to support the group's Work-from-Home protocols and enable staff to engage with customers, suppliers and partners remotely. Certain processes such as payroll were digitised to ensure business continuity.
- Cybersecurity measures enhanced to manage the increased risk associated with remote working.

Supporting our teams

- Operational and safety & health protocols activated to keep teams safe during pandemic, including:
 - Work-From-Home protocols for all employees ahead of the lockdown in Mauritius
 - Safety & health awareness training
 - A deconfinement protocol for our Corporate Centre (replicated across Operations) that included:
 - Social distancing
 - Temperature checks
 - Use of masks or face shields
 - Use of hand sanitiser
- Extensive internal communication campaigns to clearly communicate group decisions and safety & health measures, and to boost staff morale during lockdown.
- Remote learning opportunities provided to staff during lockdown in Mauritius.
- Creation of a Counselling and Support Team and provision on online psychological support (including mindfulness training sessions) to help staff cope with the impact of the Covid-19 lockdown.

 [Human Capital Report p. 76](#)

Supporting our clients and customers

- Implementation of protocols to keep customers safe post-lockdown, including the installation of Plexiglas cashier shields in retail spaces.
- New sanitising tunnels developed by Blychem for use at the entrance of commercial areas.
- E-commerce initiatives including new delivery services to guarantee clients' safety and convenience:
 - Winner's and PriceGuru.mu pivoted their business model to deliver basic food packs in partnership with the government
 - Alaila allowed individuals and businesses with work permits to book taxis online
 - PhoenixBev introduced a beverage delivery services
 - Espace Maison launched a Drive-in Click & Collect service
 - MedActiv enabled clients to upload prescriptions online and collect at the pharmacy of their choice, and also created an online shop for health and beauty products
- IBL businesses seeking to responding to new consumer trends and shifts in demand as well as new ways of delivering products and services online.

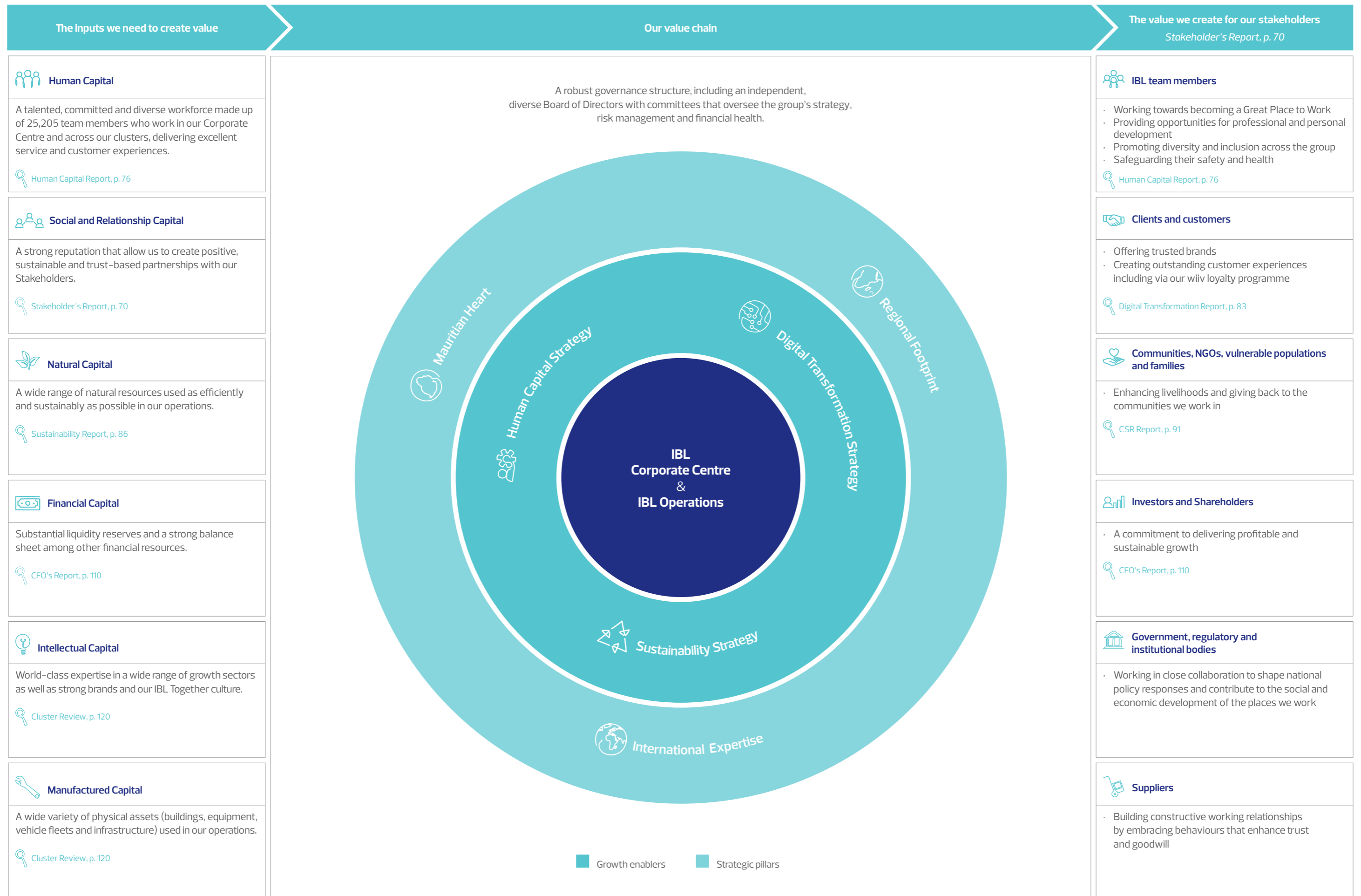
 [Cluster Review p. 120](#)

Supporting our community

- Operations provided essential services to vulnerable community members during lockdown:
 - Food packs and homemade face masks given to those in need in the community, as well as to medical and police teams
 - PriceGuru.mu added food packs for the elderly to its marketplace in the first few weeks of the lockdown
 - Seafood sector distributed 18,000kg of fish via NGOs and neighbourhood associations
- Sponsored 2 Covid-19 Testing Centres outside major hospitals
- Developed a free online HealthBot to help internet users identify possible Covid-19 symptoms based on predefined questions
 - Extensive communication campaigns online via social media and in the press to share information about Covid-19 and its transmission and promote responsible behaviour
 - IBL leaders took part in national forums and committees to help shape Covid-19 policy responses and community support initiatives

 [CSR Report p. 91](#)

Business Model






How we Engage with our Stakeholders

Stakeholders	Key issues/expectations	Objectives for 2019–20
 <p>IBL team members</p>  <p>Human Capital Report, p. 76</p>	<ul style="list-style-type: none"> • Opportunities for personal and career development • Meaningful work • Communication and knowledge-sharing regarding the group's activities and strategy • Involvement in decision-making • Support from IBL management and Corporate Centre functions in implementing group policies (Operations) • Competitive remuneration • Fair labour practices • Ethical behaviour and responsible environmental and social practices • Occupational health & safety and wellbeing at work • Job security 	<ul style="list-style-type: none"> • Restructure the Human Capital Department in line with ongoing Human Capital Transformation Project • Introduce flexible working scheme in Corporate Centre • Launch Talent Management Framework and IBL Leadership Brand • Implementation of People Online Platform (POP) • Creation of an annual talent review day across the group • Complete review of policies in IT and Human Capital Departments • Devise and implement a Non-Harassment Policy • Continue to improve Leadership Executive Acceleration Programme (LEAP) for senior executives across the group • Strengthen internal communication to ensure effective flow of information between Corporate Centre and group entities, including via relaunch of IBL internal newsletter
 <p>Clients and customers</p>  <p>Cluster Review, p. 120</p>	<ul style="list-style-type: none"> • Service and product safety, quality and value, including via safety & health protocols • Ease of interaction, including prompt feedback and resolution of service or product-related issues • Transparent communication regarding group activities and decisions that affect clients • Fair and ethical trading practices including information privacy and data protection • Responsible environmental and social practices 	<ul style="list-style-type: none"> • Launch of new mobile applications and e-commerce platforms • Continue to strengthen wiiv loyalty programme to offer additional benefits to members • Publish 2nd Communication on Progress (CoP) Report explaining the progress that IBL has made in implementing United Nations Global Compact principles
 <p>Investors and shareholders</p>  <p>Corporate Governance Report, p. 40</p>	<ul style="list-style-type: none"> • A strategy for sustained financial growth, including defined risk and sustainability approaches • Economic leadership, awareness of best practices and innovation • Responsible allocation of capital • Sound corporate governance practices, including anti-corruption standards and ethical behaviours, and compliance with other regulation • Accurate information about performance and regular access to executive team 	<ul style="list-style-type: none"> • Continue to improve how we report on Sustainability and embed integrated thinking across the group • Publish 2nd CoP Report to UN Global Compact

How we engaged this year	Why we engage	Priorities for the coming year and the medium-term
<ul style="list-style-type: none"> • Restructure underway • Flexitime policy rolled out across the Corporate Centre, alongside Work-from-Home protocols consolidated during the Covid-19 lockdown • Talent Management Framework and IBL leadership brand launched • Phase 1 of POP rolled out • Talent Review Day held • Created 10 new policies in the Human Capital Department and reviewed existing policies in IT • Non-Harassment Policy launched • Trade agreements renegotiated with trade unions • Improvement in communications: <ul style="list-style-type: none"> - Function-specific networks and forums developed (Human Capital, IT, Sustainability, etc.) - Creation of a group magazine and wiiv newsletter - Designation of IBL Together culture/values champions - Regular meetings held between IBL management, Operations management, and staff representatives - Employee focus group run in context of materiality assessment - Annual Customer Satisfaction Survey conducted among staff 	<ul style="list-style-type: none"> • Our people are our most important asset. Our ability to attract and retain top talent is the engine of our growth. Our people's views shape and enhance our decision-making. 	<ul style="list-style-type: none"> • Continue to prioritise the health, safety and wellbeing of our employees in the context of the Covid-19 pandemic - precautionary measures, remote working and other forms of support. p. 78 • Introduce a leadership framework as part of performance reviews • Promote gender diversity and inclusion across the group via the IBL Group Gender Matters charter, guidelines and action plans • Improve awareness of sustainability issues among team members and share information about the work being done across the group • Continue journey towards providing an excellent employee experience and becoming an employer of choice / Great Place to Work • Continue to improve communication with team members, including via the IBL Group magazine launched in September 2020
<ul style="list-style-type: none"> • New e-commerce platforms created e.g. Winner's grocery delivery service, MedActiv Order & Collect pharmacy service, IBL medical HealthBot • Regular communication via website, social media campaigns, public relations work and wiiv newsletter • Published 2nd CoP Report • Annual Customer Satisfaction Survey conducted among external clients and customers 	<ul style="list-style-type: none"> • Our clients purchase our products and services, providing the basis for IBL's revenue growth. We aim to create client loyalty and provide the best service and value for money. Clients also increasingly prefer to purchase from socially responsible companies. 	<ul style="list-style-type: none"> • Prioritise the health, safety and wellbeing of our clients in the context of the Covid-19 pandemic via precautionary measures and customer support • Deepen our commitment to sustainability by creating a range of eco-products and recycling initiatives in retail spaces. p. 88
<ul style="list-style-type: none"> • Analyst meetings (2 held in 2019–20) and shareholders' meeting (held on 18 December 2019) • Quarterly earnings reports and investor presentations • Published transparent, complete integrated report and 2nd CoP Report • Regular press releases to communicate IBL's activities • Investors section of IBL website kept up to date • General communication regarding Covid-19 to inform and reassure investors about IBL's performance • Promotion of paperless communications in exchange for wiiv loyalty points 	<ul style="list-style-type: none"> • To promote trust and provide transparency to those who allocate our financial capital. 	<ul style="list-style-type: none"> • Continue to communicate about IBL's performance and activities in light of the uncertain and fast-evolving context • Reinforce our risk management processes to identify and manage emerging issues • Improve our reporting on sustainability and non-financial activities, including defining a sustainability roadmap 2020–23 • Promote sustainable innovation across the group • Continue to promote paperless communications

How we Engage with our Stakeholders

Stakeholders	Key issues/expectations	Objectives for 2019–20
 <p>Government, regulatory and institutional bodies</p> <p>Corporate Governance Report, p. 40</p> <p>Risk Management Report, p. 94</p> <p>CSR Report, p. 91</p>	<ul style="list-style-type: none"> Protecting consumer interests regarding service quality, costs Ethical business practices, including fair labour practices, and compliance with national regulation including on health and safety Opportunities for job creation and socioeconomic development, including via community investment Contribution to the tax base Private–Public Partnerships and input into budgets and policies 	<ul style="list-style-type: none"> Continue to engage in open, forthright dialogue with national authorities
 <p>Communities, NGOs, vulnerable populations and families</p> <p>CSR Report, p. 91</p> <p>Sustainability Report, p. 86</p>	<ul style="list-style-type: none"> Transparency and involvement in decisions and initiatives that affect the local community Ethical business practices including a clearly defined sustainability approach Funding and other types of support (CSR, in-kind support, partnerships) Positive and sustainable changes to vulnerable communities' livelihoods 	<ul style="list-style-type: none"> Develop indicators for all of Fondation Joseph Lagesse (FJL)'s programmes Source alternative funding for community empowerment in the context of a challenging CSR environment Improve the foundation's positive impact on vulnerable families' lives Maintain Fondation Joseph Lagesse's commitment to young students completing their tertiary studies in Mauritius and overseas Build community capacity
 <p>Suppliers</p>	<ul style="list-style-type: none"> Transparent communication regarding the group and its activities, including about group tenders Timely payment and fair terms Clear and transparent selection criteria Ethical business practices Clear sustainability approach and responsible environmental and social practices 	<ul style="list-style-type: none"> Ensure suppliers conform to sustainable practices and have values that align with IBL's Continue to implement procurement best practice Identify shared procurement needs between group entities to ensure procurement synergies

How we engaged this year	Why we engage	Priorities for the coming year and the medium-term
<ul style="list-style-type: none"> Participation in public policy forums and industry meetings, particularly in the context of Covid-19 Member of national Safety & Health forum that includes government, trade unions, and the private sector Partnering on various social programmes, including two Covid-19 Testing Centres and the donation/distribution of essential food packs to vulnerable communities in Bois Marchand, Chemin Rail and Roche Bois. p. 93 Regular reporting via monthly meetings on safety & health practices 	<ul style="list-style-type: none"> To reinforce our partnerships with the public sector and remain abreast of emerging regulatory issues. Achieving the SDGs also requires sustained collaboration between the public and private sectors. 	<ul style="list-style-type: none"> Continue to engage in open, forthright dialogue with national authorities to reinforce our relationships with them Implement best practices to protect our employees and customers in the context of the ongoing Covid-19 crisis Ensure that IBL is adequately represented in all relevant public–private forums and industry bodies Contribute to national capacity–building efforts in vulnerable communities Participate in consultations with regard to new policies (e.g. drug prevention) Strengthen evaluation and monitoring of CSR projects to obtain funding from government agencies
<ul style="list-style-type: none"> Completed logic model for all FJL programmes Funds obtained for FJL's ongoing programmes Wide range of community initiatives to improve livelihoods and outcomes among vulnerable families 7 young students completed their tertiary education Emergency support provided to 160 families during lockdown period Sustainability initiatives developed across the group and partnerships created with UNDP and Climate Launchpad 	<ul style="list-style-type: none"> To build trust by operating responsibly and sustainably, and addressing issues that are material for our communities. To provide support and opportunities to people from vulnerable communities. 	<ul style="list-style-type: none"> Restructure FJL to respond to funder expectations Continue monitoring and evaluation of initiatives and develop research unit to better understand FJL's impact, target community needs and be able to request funding Continue to improve positive impact of CSR programmes on vulnerable groups including via a literacy programme for children and adults, new afterschool activities for children and improving the quality of service in FJL's pre–primary education programme Provide support to clean tech and green business entrepreneurs
<ul style="list-style-type: none"> Regular communication and meetings to manage impact of Covid-19 crisis Supplier forums and meetings Ongoing site visits Supplier ratings: creation of vendor management register within IT Department for recommended suppliers 	<ul style="list-style-type: none"> To create long-term, trust-based relationships with our suppliers; and to provide sustainable and environmentally responsible solutions to our customers. 	<ul style="list-style-type: none"> Continue to work with existing suppliers to maintain trust and relationships Promote local suppliers in order to support the Mauritian economy Take a leadership role in deploying innovative and sustainable solutions and seek to work with socially responsible suppliers

Group Strategy

Prior to the Covid-19 crisis, our group was focused on delivering the strategic plan announced in 2017-18. The pandemic's impact forced IBL to reconsider its operational and strategic priorities. We will revisit our strategic plan in FY2021 to better position ourselves for growth and renewal in the post-Covid-19 landscape.

Strategic pillars	Clusters impacted	Link to main group risks	Main capitals impacted
 <p>Strengthening IBL's Mauritian core</p>	<ul style="list-style-type: none"> Agro & Energy Building & Engineering Commercial & Distribution Financial Services Hospitality & Services Life & Technologies Logistics Seafood Property CSR 	<p>1 2 3</p> <p>4 5 6</p> <p>7 8 9</p> <p>10 11 12</p> <p>13 14 15</p>	   
 <p>Regional expansion into the Indian Ocean & East Africa</p>	<ul style="list-style-type: none"> Agro & Energy Building & Engineering Commercial & Distribution Financial Services Hospitality & Services Life & Technologies Logistics Seafood 	<p>1 2 4</p> <p>5 6 8</p> <p>9 12 13</p> <p>15</p>	  
 <p>International expansion anchored in world-class professional expertise</p>	<ul style="list-style-type: none"> Hospitality & Services Life & Technologies 	<p>1 2 3</p> <p>5 9 10</p> <p>14 15</p>	   

Main risks

- | | | |
|------------------------|-------------------------|------------------------------|
| 1) Tourism performance | 4) Foreign currencies | 7) Forex fluctuations |
| 2) Pandemic | 5) Government policies | 8) Sugar cluster performance |
| 3) FATF watchlist | 6) Industry performance | 9) Market concentration |

Major activities this year	Priorities for 2020-21
<ul style="list-style-type: none"> ✓ Appointment of new Group Head of Technology and Sustainability to drive the group's commitment to digital transformation and sustainable value creation ✓ Creation of a new Energy cluster and appointment of General Manager to capitalise on green energy-related opportunities p. 124 ✓ wiv, Mauritius's first multi-partner loyalty programme, has gone from strength to strength, with 168,607 members as at October 2020 p. 85 ✓ Repurposing of production lines to manufacture essential items such as health devices and protective health equipment in light of Covid-19 pandemic ↻ Delay to launch SOCIO, a new urban hotel brand under The Lux Collective, to 2022 p. 136 ↻ Delay to launch LUX* Grand Baie due to Covid-19 lockdown to October 2021 p. 136 ↻ Completion of Victoria Urban Terminal, a major transit hub in Port Louis, has been delayed due to the Covid-19 related lockdown and procurement challenges. Now expected to be operational in Q1 2022 ↻ Expansion of CNOI shipyard ongoing ✗ Suspension of major investment projects including acquisition of General Construction due to impact of Covid-19 crisis p. 126 	<ul style="list-style-type: none"> Undertake a review of our group strategy with support from McKinsey, to be completed by Q1 of 2021 Maintain an agile and flexible approach to strategy-setting and management while constantly reassessing our operating context risks and targets in light of today's very uncertain outlook Continue to invest in and support IBL's people to ensure their continued resilience, engagement and performance Provide ongoing support to the community via our CSR initiatives in what is likely to be a difficult year for our stakeholders Continue to deliver on major projects as appropriate, with a particular focus on regional investments and development of new Energy and Life & Technologies clusters: <ul style="list-style-type: none"> HealthScape medical centre at Forbach : Opening of radiology department expected for March/April 2021 Tendering process for construction of Azuri Golf and Golf View residential development Continue construction of Victoria Urban Terminal (expected delivery FY 2022) Continue construction of CNOI shipyard extension New Head of IBL Link named in Life & Technologies cluster to optimise IBL's investments in the technology sector Closure of Alteo Refinery due to a decrease in available sugar; focus on production of specialty sugars in the future, in line with Mauritius' national strategy to increase production of these high value-added products
<ul style="list-style-type: none"> ↻ Work on new partnerships and business ventures ongoing in IBL's Nairobi office ↻ Discussions ongoing regarding Alteo's buyout of Transmara sugar operation's minority shareholders in Kenya 	<ul style="list-style-type: none"> Renewed focus on identifying partners with whom to invest in growth sectors and markets in the region Increased focus on regional diversification and reduction of market concentration in Mauritian heart Energy cluster: creation of a joint venture with renewable energy specialists Green Yellow to improve energy efficiency in Kenya
<ul style="list-style-type: none"> ✓ Opening of a new Marine Biotechnology Products factory in Abidjan, Ivory Coast ↻ Pipeline of new management contracts being developed by The Lux Collective, particularly in China, targeting domestic markets to drive occupancy in the context of ongoing Covid-19-related travel restrictions ✗ Cherbourg-based fish factory Nutrifish went into receivership in March 2020 ✗ Manser Saxon cease operations in Dubai 	<ul style="list-style-type: none"> Seek out international investment and partnership opportunities and renew focus on reducing market concentration in Mauritian heart

Actions

- | | | |
|-----------------------------------|------------------------------------|---------------|
| 10) Sustainability of tuna stocks | 13) Volatility of commodity prices | ↻ In progress |
| 11) Property sales performance | 14) Cybersecurity threats | ✓ Achieved |
| 12) Climate change | 15) Technology efficiency | ✗ Suspended |

Human Capital

At a glance: Human Capital at IBL

IBL Group*

25,205
team members



67% (16,870)
men



33% (8,335)
women

IBL Operations**

6,958
team members



66% (4,616)
men



34% (2,342)
women

2 women on the IBL Board of Directors (14%)

10% of employees unionised (786 out of 7655)

55
executives



84% (46)
men



16% (9)
women

327
managers



72% (237)
men



28% (90)
women

Investment (MUR)



32m

invested in training and development in FY 2020

Equivalent to **38,419** hours of training

55% men

Benefitting **5,793** participants (3,248 employees in total)

45% women (1,475 employees)

Training provided by job category

88%

for staff (of which **42.1%** women)

10%

for managers (of which **3%** women)

1%

for executives (of which **0.2%** women)

Age

30%

aged below 30

32%

aged between 30 and 39

23%

aged between 40 and 49

15%

aged above 50

Joiners

1,152

joiners in FY2020



65%
men



35%
women

Leavers

1,464

leavers



70%
men



30%
women

Representing **21%** turnover in IBL Operations

*IBL Operations, joint ventures, associates and subsidiaries
**Including Corporate Centre, Bloomage, Eagle Insurance and DTOS

Human Capital

A REFRESHED STRATEGY WITH A FOCUS ON DIGITALISATION

Putting people first has always been central to IBL's values. The Covid-19 crisis has now proved beyond a doubt that people are at the heart of IBL's strength and resilience. The crisis has also forced IBL's businesses and teams to make rapid changes to how they operate, as remote working and collaboration become the new normal.

BACK TO ESSENTIALS AND BEST PRACTICES

Following the conclusion of our 2016–2019 human capital roadmap, IBL defined a new three-year roadmap to 2022. The roadmap's focus is on continuing the Human Capital Transformation with a special focus on going "Back to Essentials and Best Practices". It aims to strengthen our group's capabilities on foundational issues such as recruitment, on-boarding, training and remuneration while developing our talents and leadership capabilities.

This roadmap is part of our longer-term Human Capital Strategy. This aims to create a customer-centric Human Capital function at group level and across IBL operations, in support of IBL's wider strategy and of our group's ongoing competitiveness.

The Human Capital Department in IBL's Corporate Centre seeks to work as an enabling partner with each IBL business. Decentralising human capital management to IBL Operations is a major part of this process, as is the use of cloud-based technology that provides Operations and team members an access to employee records for instance.

[See People Online Platform case study p. 82](#)

This way of working represents a major change for the Human Capital Department in IBL's Corporate Centre, Human Capital teams in our Operations and team members across the group. A major strand of our strategy is therefore on providing training to the Human Capital Department and to all future recruits to help them work more flexibly and adaptively. A programme to upskill Human Capital Managers within IBL operations will also be launched in the future.

The next major objective will be the development of leadership capabilities within the group, not least to adapt to the new business models and ways of working that are emerging in the aftermath of Covid-19.

THE IMPACT OF COVID-19 ON OUR HUMAN CAPITAL

The pandemic has radically changed the way we manage and communicate with team members. In particular, it has accelerated the digitalisation of human capital practices, from payroll and learning and development initiatives to our virtual employee experience.

At the start of the Covid-19 lockdown in Mauritius, IBL rapidly defined and amended certain protocols to enable staff to work from home, notably creating a common digital platform for virtual meetings and communication. IBL's leaders shifted to managing their teams remotely while team members adapted to working – and delivering on their targets – from home. A flexible working scheme, rolled out on a test basis in the IBL Corporate Centre in January 2020, laid the groundwork for this transition.

Today, most of our team members, particularly those in the IBL Corporate Centre and in administrative roles across the group, can work remotely provided they have an internet connection. Decentralised decision-making as well as trust, discipline, and coordination have never been more important.

Covid-19 has unfortunately delayed investment in certain leadership programmes and initiatives and forced us to rethink how to achieve our goals with limited financial resources. In the medium term, we will need to balance the wellbeing of our people with the need for cost-control measures. We must ensure that our short-term responses to Covid-19 do not weaken our team members' professional development, mental health or wellbeing, as this would ultimately have a negative impact on our group. In this time of rapid change and uncertainty, it is crucial that IBL continue to support our teams to secure their ongoing trust and commitment.

SAFETY & HEALTH AT IBL

The safety and wellbeing of our team members remains IBL's top priority. Safety & health committees exist at group level and within every IBL Operation, ensuring that the group's safety & health policies are aligned, addressing business-specific issues and carrying out activities including:

- Safety and health audits, conducted in a different business unit every year. (Audit carried out at BrandActiv in FY2020)
- Health and safety risk assessment (within the IBL Corporate Centre)
- Ongoing training in safety & health
- Wellness activities (including a Wellness Week) and medical screenings
- Blood donation drives

The health of employees working in high incidence areas or at particular risk of disease is monitored by an occupational doctor. The frequency of this surveillance reflects local legislation and depends on the type of activity involved.

In FY2020, IBL Operations registered 428 accidents with an Accident Frequency Rate of 19.82 per 1,000,000 working hours, a decrease of 28% compared to the previous year. This result is attributable to the rigorous application of safety & health measures across the group, as well as to the Covid-19 lockdown, which saw several businesses temporarily halt their operations.

PROTECTING OUR PEOPLE DURING COVID-19

During the first phase of the Covid-19 crisis and the lockdown in Mauritius, the Human Capital Department worked closely with IBL's Crisis Management Committee as well with the national Crisis committee via Business Mauritius to:

- Create and implement protocols to keep teams safe, including via reinforced Safety & Health commitments and communications, social distancing, temperature checks, and the use of masks or face shields and of hand sanitiser in offices
- Activate Work-from-Home protocols, building on the launch of a Flexitime scheme in the Corporate Centre in January 2020
- Deploy Microsoft Teams for virtual meetings and to engage with customers, suppliers and partners
- Offer Corporate Centre team members access to remote psychological counselling and support
- Provide remote learning opportunities
- Carry out a Safety & Health audit

The group also developed new policies and procedures to protect frontliners and members of the public at BrandActiv, Winners, Blychem, HealthActiv, MedActiv, Scomat, and Manser Saxon.

Following the lockdown, IBL:

- Developed and implemented a deconfinement protocol to ensure its teams' ongoing safety and health
- Provided access to a nutritionist to help teams adopt healthier lifestyles following times of crisis
- Continues to actively promote virtual collaboration and digital service delivery

IBL'S COMMITMENT TO GENDER EQUALITY

The case for gender equality is clear: making use of the skills, talent and potential of our entire workforce is a source of competitive advantage, particularly in today's challenging macroeconomic context. It's also the right thing to do. IBL endorsed of the United Nations' Women's Empowerment Principles (WEP) in October 2018 and remains committed to creating a fair, diverse and inclusive working environment across our group.

In FY2020, IBL developed a "Gender Matters" Charter to cultivate gender diversity, inclusion and a culture of equal opportunities across the group. It aims to achieve zero discrimination within IBL and commits the group to providing:

1. Gender diversity training and awareness
2. Gender-diverse recruitment
3. Equal pay and benefits
4. A gender-diverse management and executive team
5. A gender-diverse Board of Directors

In line with these principles, IBL carried out the following activities this year. Going forward, we intend to carry out a gap analysis to assess gender-based disparities within the group and create an action plan to address them.

- Launch of a group-wide Non-Harassment Policy

- Participation in the "Women Leadership Programme" run by the KIP centre for Leadership for the fifth year in a row
- Four female members of the IBL management team took part in FY2020. In total, 24 women have benefitted from this programme since its inception

- Gender awareness workshops run at the IBL Corporate Centre and at The Lux Collective and Lux Island Resorts headquarters

- In partnership with UNDP, provision of support to five 'green' businesses run by women

- HeForShe Campaign unveiled at The Lux Collective

Human Capital

CMH CERTIFIED A GREAT PLACE TO WORK

In 2018, an initial Great Place to Work survey was carried across across the Corporate Centre and IBL Operations. The survey assessed the group's workplace culture, employee experience and levels of staff engagement based on responses provided by team members. At CMH, it revealed weaknesses including a perceived lack of communication and instances of favouritism.

CMH's management therefore implemented a remedial action plan to, among other things, ensure that team members' queries and grievances were listened to, develop the company's talents, improve recognition and create a culture of celebration and sharing. As a result of these efforts, CMH achieved a Trust Index of 88% in a second Great Place to Work survey carried out this year.

94% of team members responded to the 2020 survey, which revealed that:

- 90% of employees feel supported, valued and like they make a difference within the company
- CMH's main strengths include the support that team members feel they receive, the camaraderie that exists between colleagues and the opportunities for personal growth that the company offers.

DELIVERING OUR HUMAN CAPITAL ROADMAP

This year, we completed the delivery of our 2016-2019 roadmap, which had four main objectives:



Key targets	Targets set for 2019-20	Performance against targets	Priorities for 2020-21
1. Harmonise the group's Human Capital approach			
Articulate and standardise Human Capital processes across IBL	<ul style="list-style-type: none"> · Restructure the Human Capital Department in line with the strategies defined in the Human Capital Transformation Project · Introduce Flexi-Time in Corporate Centre on a trial basis · Revamp our Human Capital Services to bring competitive value-added services to the group's businesses 	<ul style="list-style-type: none"> · The group HC Department has been restructured into three main departments (Operations, Talent & Leadership and Systems and Projects) with a focus on decentralising services to Operations. Certain activities (medical scheme management, enrolment of courses) were successfully outsourced · Flexibility concept launched in Corporate Centre in Jan 2020, with Covid-19 accelerating its implementation · Due to Covid-19, the services offered were focused on talent management and restructuring 	<ul style="list-style-type: none"> · For the next two years, we will focus on our Back to Essentials and Best Practices programmes to get basic services right · We will also continue to roll out our leadership and talent framework

Key targets	Targets set for 2019-20	Performance against targets	Priorities for 2020-21
1. Harmonise the group's Human Capital approach (Continued)			
Review IBL's human capital and remuneration practices in collaboration with the Korn Ferry Hay Group	<ul style="list-style-type: none"> · Participate in Korn Ferry Hay's General Market Survey and Executive Survey to evaluate the competitiveness of IBL's remuneration practices in all sectors 	<ul style="list-style-type: none"> · Participation in Korn Ferry's salary survey and updating of our remuneration framework · Due to cost-control measures following Covid-19, no salaries were revised in June 2020 · Role evaluations ongoing in Corporate Centre and Operations 	<ul style="list-style-type: none"> · Evaluation of every new role* has become a Back to Essentials and Best Practices element of our recruitment process · A particular focus in 2020-21 will be on analysing the gender pay gap across the group* <p><small>*for Corporate team members, Managers and Executives positions across IBL Operations</small></p>
Implement a new performance management system	<ul style="list-style-type: none"> · Launch of a call for proposals for a Human Capital Online Suite to track employee performance and growth potential · Continuous fine-tuning of IBL's Short Term Incentive (STI) Framework across the Corporate Centre and IBL Operations 	<ul style="list-style-type: none"> · Online Suite now selected. Payroll implementation to be completed before launch of a Performance Management System · STI nearly 100% implemented for all Executives 	<ul style="list-style-type: none"> · Embed leadership objectives into the STI framework for all Executives
Digitally transform the group's human capital practices	<ul style="list-style-type: none"> · Select and implement a POP (People Online Platform) 	<ul style="list-style-type: none"> · POP selection finalised and implementation began in May 2020 in partnership with Ceridian, a global human resources software provider · Digitalised IBL's medical insurance scheme 	<ul style="list-style-type: none"> · Smooth implementation of POP across IBL Operations over the next 18 months, driven by dedicated Project Teams within Corporate Centre and Operations · Phased approach: roll out 1) Payroll and core services and 2) Talent management capabilities
2. Strengthen the group's succession planning to ensure business continuity			
	<ul style="list-style-type: none"> · Creation of a Talent and Leadership Department, launch of several new initiatives and recruitment of new Head of Talent · Launch Talent Management and Leadership frameworks · Talent Review Day to become an annual event: reviewing talent across IBL while providing opportunities for growth 	<ul style="list-style-type: none"> · Recruitment of Head of Talent put on hold due to Covid-19 · Talent Manager nominated in-house to work hand in hand with the Group Leadership & Development Manager · Frameworks launched in January · Talent Review Day held in June 20 · Mapping of all business-critical roles for every company completed. Succession plans for these roles now in progress. 	<ul style="list-style-type: none"> · Roll out all Talent and Leadership Department initiatives while ensuring agility and resilience of business capabilities in every Operation post-Covid-19
3. Use learning and development initiatives to enhance business performance			
	<ul style="list-style-type: none"> · Review the function and content of Leadership Executive Accelerated Programme (LEAP) following feedback · Run Management Development Programme (MPD) for 4th consecutive year · Ignite, an online learning platform, to be revised following questions about its impact on learning and transformation 	<ul style="list-style-type: none"> · No LEAP programmes run this year due to Covid-19 · 4th MDP launched though some sessions delayed due to Covid-19, possibly to Feb 2021 · Programme cancelled due to lack of positive impact 	<ul style="list-style-type: none"> · As part of the Back to Essentials and Best Practices programme, the Human Capital Department will focus on a Learning Needs Analysis that will allow business to meet their objectives and navigate the ongoing economic uncertainty

Human Capital

Key targets	Targets set for 2019–20	Performance against targets	Priorities for 2020–21
4. Attract top talent thanks to our inclusive working culture and competitive remuneration			
<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 IBL companies' Great Places to Work As part of the Talent Framework, an internal mobility project will be studied. We will also focus on continuing to fill the leadership pipeline 	<ul style="list-style-type: none"> This objective has been coupled with the Talent and Leadership framework The Lux Collective and engineering company CMH have been named Great Places to Work. Businesses across the group continue to implement their Good to Great action plans The mobility programme has proved a challenge. The Talent and Leadership team will continue to work on enabling criteria 	<ul style="list-style-type: none"> Covid-19 has forced us to define what competencies will be critical for the future of the industries we work in. The Talent and Leadership team will pay particular attention to the identification of business-critical roles and capabilities for our companies New Great Place to Work survey planned for 2021-22 	

Case study

PEOPLE ONLINE PLATFORM

After a structured request for proposals and a thorough selection process, IBL partnered with Ceridian to implement a cloud-based human capital management system, known as Dayforce, across the group.

This People Online Platform (POP) project consists of identifying a single application that will help Operations manage complex workforces across our different clusters. It provides a platform for services across team members' entire employment cycle, including but not limited to payroll, the management of employee records, performance and talent management, and learning and development.

The POP will help IBL sustain its human capital transformation journey and deliver the Human Capital Department's new devolved value proposition. The platform's standardised and automated processes also improve efficiency across the board. Executives and managers will be able to manage their teams' employment journey thanks to data accessible via dashboards, while team members will be able to view their personnel records and carry out transactions such as requesting leave through a mobile self-service application.

The platform's different modules will be deployed across the Corporate Centre and Operations over a two-year period. The implementation is split into two different phases. It will be managed by a dedicated project team within the IBL Corporate Centre and project teams within each Operation:

- Phase 1: HR core, payroll, time & attendance and leave management.
- Phase 2: performance management, learning, recruiting, onboarding, succession planning and offboarding.
- IBL Operations companies are expected to complete all modules under phase 1 by September 2021 and begin implementation of phase 2 thereafter.

Digital Transformation

A CRITICAL GROWTH ENABLER

IBL's Digital Transformation Strategy aims to use technology to create new value for customers and team members across our Corporate Centre and Operations. In today's fast-paced, hyper-connected world, digital transformation is critical to IBL's competitiveness and our ability to capitalise on emerging opportunities in Mauritius and abroad.

While technology is a crucial enabler of digital change, this process is driven by our people. Digital transformation requires new ways of thinking, working and collaborating to deliver innovative, market-leading user experiences for our teams, suppliers, customers and other stakeholders. It is important that IBL's organisational culture supports our digital transformation, and that our people are equipped with the right tools and capabilities to ensure the successful adoption of new digital tools and business models, now and in the future. Training and change management are therefore a major part of our digital agenda.

OUR DIGITAL TRANSFORMATION OBJECTIVES

1 Develop new value propositions and extend our offers across digital channels to generate revenue	2 Disseminate and embed a digital culture to strengthen capabilities and collaboration, and attract talent	3 Achieve operational excellence by digitally transforming our processes and our ways of working	4 Increase customer loyalty through an exceptional customer experience
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FROM PHYSICAL PRODUCTS, SERVICES AND CHANNELS TO DIGITAL AND CUSTOMER-CENTRED

Prior to the Covid-19 lockdown in Mauritius, IBL's Digital Transformation team was accelerating the delivery of the strategic projects that it had begun to implement last year. These were identified in a digital transformation roadmap 2017-18 following a group-wide consultation.

HOW COVID-19 HAS CHANGED OUR DIGITAL TRANSFORMATION STRATEGY

The Covid-19 pandemic has driven a rapid increase in digitalisation in industries and markets worldwide. In Mauritius, the Covid-19 lockdown required our group to identify and deploy new ways of serving and communicating with clients, employees and other stakeholders practically overnight. Our technology teams therefore prioritised projects that ensure our business continuity and allow us to capitalise on new, emerging business models and revenue streams.

Business continuity New ways of working and collaborating: <ul style="list-style-type: none"> Work-from-Home protocols Deployment of cloud services e.g. remote meetings, online people management Enhanced cybersecurity measures 	New revenue streams New e-commerce opportunities and business models p.84
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Digital Transformation

PROGRESS ON DELIVERING OUR DIGITAL TRANSFORMATION

Achievements against objectives / Key innovations and new value propositions			Priorities for 2020–21
Key initiatives	Value for users	Value for IBL	
1. Develop new value propositions and extend our offers across digital channels to generate revenue			
PhoenixBev L'Esprit Zil: launch of a new platform for drinks packs and other merchandise during Covid-19 lockdown	Clients New purchasing channel and new products at a time of scarcity	<ul style="list-style-type: none"> New supply partnerships New B2C marketing opportunity for established and new product ranges 	<ul style="list-style-type: none"> Pursue development and consolidation of e-commerce platforms in line with customer expectations and demand
Winners: business model pivoted to become a convenience store during Covid-19 lockdown	Clients Convenient access to essential dry, frozen and fresh food products at a time of scarcity	<ul style="list-style-type: none"> E-commerce operations streamlined for greater efficiency 	
Espace Maison: creation of a drive-in Click and Collect offer during Covid-19 lockdown	Clients Convenient access to DIY home and garden products and pet food at a time of scarcity	<ul style="list-style-type: none"> Ensured continuity of online sales while physical points of sale remained closed 	
PriceGuru: expansion of products available for online purchase during Covid-19 lockdown	Clients New purchasing channel and products at a time of scarcity	<ul style="list-style-type: none"> Expansion of existing B2C e-commerce platform 	
Desktop Office Supply: launch of food packs for IBL employees during Covid-19 lockdown	Clients New purchasing channel and products at a time of scarcity	<ul style="list-style-type: none"> New B2C marketing opportunity 	
HealthBot: automated Covid-19 detection online	General public New health-related service and access to Covid-19 information	<ul style="list-style-type: none"> Demonstrated IBL's solidarity and engagement during Covid-19 crisis 	
2. Disseminate a digital culture to strengthen capabilities and collaboration and attract talent			
250 team members trained in change management methodologies and equipped with change methods, techniques and tools	Employees Motivated teams with the right engagement levels and skills to effectively adopt the new digital solutions being deployed	<ul style="list-style-type: none"> Groundwork laid for a shift to digitalisation Teams engaged in a process of change right from the start to ensure buy-in Creation of change champions to help drive digital adoption across the group 	<ul style="list-style-type: none"> Deploy new digital collaboration and communication platforms Conduct workshops on digital themes attended by cross-functional teams in Operations
3 workshops on digital themes (Data, Design Thinking, Robotic Process Automation) conducted with cross-functional Operations teams. 2 newsletters also published	Employees Improve knowledge on digital transformation themes discussed in the workshops	<ul style="list-style-type: none"> Building awareness of digital transformation themes, increase in information-sharing across Operations and business units (including sharing and identification of potential use cases) 	
Membership of Mauritius Africa Fintech Association acquired	Employees Keep abreast of local and regional Fintech trends and opportunities	<ul style="list-style-type: none"> Being part of the local and regional Fintech ecosystem and network and remaining up to date with the regulatory framework 	

Achievements against objectives / Key innovations and new value propositions			Priorities for 2020–21
Key initiatives	Value for users	Value for IBL	
3. Achieve operational excellence by digitalising our processes and transforming our ways of working			
Logidis: launch of warehouse management system	Clients Better visibility regarding available stocks	<ul style="list-style-type: none"> Greater efficiency in warehouse operations 	<ul style="list-style-type: none"> Seafood Cluster ERP to go live in 2021 New corporate services, fund administration and accounting system to be fully implemented at DTOS in 2021 New ERP to be implemented at Winners' during 2020–2021 Review, upgrade and optimisation of existing ERPs in several business units Implementation of a data governance framework in business units in order to generate real-time data analytics to improve decision making Deployment of phase 1 of People Online Platform (POP) and kick-off of phase 2 (performance management, recruitment, talent management) within Corporate Centre and Operations
Adoption of Microsoft 365/ Teams within Corporate Centre and Operations during Covid-19 lockdown	Employees <ul style="list-style-type: none"> Easier, more efficient collaboration and project management Remote working 	<ul style="list-style-type: none"> Teams able to work from home Greater efficiency 	
Progressed phase 1 (Payroll / Core HR services) of POP / Human Capital Digital Platform, in line with IBL's new Human Capital strategy	Employees <ul style="list-style-type: none"> New services (leadership / training, talent management, administrative) to be managed directly by Operations rather than at Corporate Centre Employee access (self-service) 	<ul style="list-style-type: none"> Time-savings thanks to move from manual reconciliation of data to an automated digital platform Improved visibility regarding human resource analytics thanks to better management and availability of data (e.g. real time information about payroll) 	
4. Increase customer loyalty through an exceptional customer experience			
Roll out of wiiv loyalty programme: 168,607 members as at October 2020 (highly commended in Loyalty Awards Magazine 2020's 'Best new loyalty lounge' category and named 'Regional loyalty champion' for the Middle East and Africa region)	Clients <ul style="list-style-type: none"> Earn and redeem points to save money in return for brand loyalty Simplicity and ease of use: single card for multiple brands and partners 	<ul style="list-style-type: none"> Building IBL community Raising awareness of key brands Improving loyalty across the IBL brand ecosystem, driving client retention Improving our customer knowledge and understanding 	<ul style="list-style-type: none"> Continue to develop ecosystem of wiiv partners. Deployment of B2C portals and mobile applications in other business units Leverage data analytics to personalise customer experience, increase retention and drive targeted offers, in line with GDPR regulations

LOOKING AHEAD

The context in the coming year remains extremely uncertain. However, we anticipate that digital strategies will become an increasing priority for IBL and our Operations in the future. Going forward, IBL will need to:

- Assess whether our technology architecture and practices are aligned with our new, post-Covid-19 ways of working
- Ensure that team members have the right tools and training for ongoing/partial work from home
- Continue to embed cyber-security measures as the technology landscape evolves in order to protect our business.

The Covid-19 crisis aside, the context for digital transformation is dynamic and subject to rapid change. We therefore continually refine our roadmap and prioritise projects in line with evolving user expectations, market conditions and internal feasibility studies, working in partnership with other Corporate Centre departments and Operations' management teams.

Sustainability

IBL'S APPROACH

IBL recognises that we have a responsibility towards our stakeholders and our communities, and that all growth must be reconciled with sustainability. We also strongly believe that sustainability is an enabler of performance and competitiveness, and that it is a source of innovation, opportunities and value creation.

The Covid-19 pandemic and the shipwreck of the Wakashio bulk carrier in August 2020, which gave rise to Mauritius' largest-ever oil spill, have reinforced these beliefs and led to changes in how our companies do business. Covid-19 in particular has highlighted the need for greater food autonomy in Mauritius, more localised patterns of consumption and investment in renewable forms of energy in order to contribute to a local, regional and global green recovery.

IBL is in the process of defining a group-wide sustainability approach. We are currently reviewing our roadmap, which is based on two interconnected pillars:

<p>Creating positive impact</p> <p>We aim to develop innovative Blue Economy business models across the group, in line with the ZERI (Zero Emissions Research & Initiative) philosophy. By prioritising local production and resources to sustainably meet domestic needs, these models generate local employment, protect ecosystems and improve community welfare while creating new business opportunities for IBL and allowing the group to remain profitable and competitive on the global market.</p>	<p>Managing our negative impacts</p> <p>We are committed to initiatives that reduce our impact on the environment and society, including within our value chain, and aligning with international reporting standards among other issues.</p>
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OUR CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

IBL also acknowledges the need to help achieve the Sustainable Development Goals (SDGs), a global sustainable development agenda spearheaded by the United Nations. This consists of 17 goals and 169 targets to be achieved by 2030. We have identified four priority SDGs towards which our group and Operations primarily contribute, in partnership with government, our communities and other businesses. These priority SDGs were identified via the group Materiality process set out on p. 366.

IBL contributes primarily to 4 main SDGs, while impacting other connected SDGs:

SDGs on which IBL has the greatest impact



Goals linked to our priority SDGs



SDGs on which IBL has the least impact



LOOKING AHEAD

In the coming financial year, we will set out IBL's Group sustainability roadmap 2020-23.

The roadmap review is intended to:

1. Establish particular focus areas for the group
2. Identify objectives for each of these focus areas
3. Build capacity and increase awareness of sustainability issues within IBL Operations
4. Strengthen the support we provide to entrepreneurs working in green and low-tech sectors
5. Review our procedures for collecting and analysing data (including on our carbon footprint and energy reduction targets)
6. Refine our materiality process and strengthen our relationships with our stakeholders

OUR PERFORMANCE AND OBJECTIVES

Other SDGs impacted	We commit to...	Via	Major achievements this year	Targets for 2020-21 and beyond
SDG 1: No Poverty				
3, 4, 8, 10, 11	<ul style="list-style-type: none"> Promoting inclusiveness and contributing to poverty reduction through better education, employment and decent work, gender equality, good health, and zero hunger Contributing to a brighter future for all, in line with our vision 	<ul style="list-style-type: none"> The work of the Fondation Joseph Lagesse and of other CSR entities within the IBL Group 	<ul style="list-style-type: none"> See CSR Report p. 91 	<ul style="list-style-type: none"> Durably improve outcomes for vulnerable communities via our CSR work. See our CSR Report p. 91
SDG 8: Decent Work and Economic Growth				
1, 3, 4, 5, 7, 9, 10, 12, 16	<ul style="list-style-type: none"> Working ethically and with integrity everywhere we operate and invest Promoting decent working conditions, including by providing productive, meaningful, fairly-paid work, security in the workplace and social protection for families, better prospects for personal development and social integration Creating a level playing field to allow interested candidates to obtain productive employment regardless of gender, income or socio-economic background Ensuring that a fair share of IBL's revenue goes towards remuneration, private foundations, and taxes 	<ul style="list-style-type: none"> A Code of Ethics and an IBL working culture rooted in a strong set of values A Human Capital strategy detailed on p. 76, and which includes investing in the best possible quality education and training to benefit our people Our ongoing development of the group locally and internationally, as well as the diversification of our activities Our various financial contributions to the national economy in the form of tax, distribution of dividends, decent wages, etc.) 	<ul style="list-style-type: none"> Implementation of a flexitime scheme and of gender-balanced recruitment and representation policies Total contribution of Rs 4,385m in taxes in FY2020 See Governance Report p. 40 See Human Capital Report p.76 See CFO's Report p. 110 	<ul style="list-style-type: none"> Continue to prioritise the health, safety and wellbeing of our team members in the context of the Covid-19 pandemic – precautionary measures, remote working and other forms of support. p. 78 Continue to promote gender diversity and inclusion across the group including via a new IBL Group Gender Matters charter, guidelines and action plans Continue our journey towards providing an excellent employee experience and becoming an employer of choice / Great Place to Work See Human Capital Report p. 76 See CFO's Report p. 110

Sustainability

OUR PERFORMANCE AND OBJECTIVES (CONTINUED)

Other SDGs impacted	We commit to...	Via	Major achievements this year	Targets for 2020–21 and beyond
SDG 13: Climate Action				
7, 8, 12, 15, 17	<ul style="list-style-type: none"> Continuously improving our energy efficiency and reducing the carbon footprint of our products, services and processes Promoting carbon-free energy production Continuing to work collaboratively with other businesses nationally in different sectors and along our value-chains, to set standards and develop initiatives to reduce climate risks, adapt to climate change and enhance climate-related opportunities 	<ul style="list-style-type: none"> <i>Building capacity within the IBL Corporate Centre and Operations:</i> Improving our teams' understanding of the implications of climate change and develop a coherent business strategy that minimises risks and identifies opportunities 	<ul style="list-style-type: none"> 15 sustainability awareness-raising and capacity-building sessions delivered to around 100 Corporate Centre team members 	<ul style="list-style-type: none"> Continue to deploy an awareness-raising programme across the group
		<ul style="list-style-type: none"> <i>Disruptive business models:</i> Implementing the Blue Economy projects in partnership with the Zero Emissions Research and Initiatives (ZERI) network 	<ul style="list-style-type: none"> Evaluation of two methanisation projects in the Seafood Cluster and at PBL, capable of treating 3,000m³ of effluents per day Groundwork laid for zero-emissions projects including: <ul style="list-style-type: none"> Mushroom growing Production of citrus-based detergents Optimising beer by-products 	<ul style="list-style-type: none"> Begin small-scale methanisation in hotels and/or smart cities Complete testing, set up manufacturing and supply chains for feasible projects.
		<ul style="list-style-type: none"> <i>Waste management:</i> Promote the 3 R's – Reduce, Reuse, Recycle – and develop industrial ecology and Circular Economy initiatives 	<ul style="list-style-type: none"> Implementation of waste management action plan within IBL Operations and promotion of recycling Contribution to Business Mauritius working groups on the circular economy, including on the creation of an Extended Producer Responsibility system and the establishment of national sorting centres Ongoing partnership with the Mauritius Port Authority and several IBL Group companies to clean up Port Louis harbour 	<ul style="list-style-type: none"> Standardise and systematise the collection of group data Identify solutions and potential synergies between group entities and in the wider economy Develop an awareness programme for children and young people and strengthen our working relationships with the relevant authorities
	<ul style="list-style-type: none"> <i>Energy efficiency projects:</i> Monitor and measure energy efficiency in 20 Winner's supermarkets. Energy audit exercises for 40 IBL operational and office work sites 	<ul style="list-style-type: none"> Energy consumption reduced by 12% in 20 Winner's supermarkets in the first semester of 2020, saving an estimated MUR 20m in electricity bills this year Phase 1 complete: 100% of IBL sites pre-audited 	<ul style="list-style-type: none"> Maintain reduction and improve rate if possible Complete detailed audits for 10 sites with the potential for joint ventures and where consumption could be reduced 30 other IBL sites to be subject to internal Energy Management Plans Implement phase 2: Extend the scope of the project to include The Lux Collective and PBL by end 2020–21 	

Other SDGs impacted	We commit to...	Via	Major achievements this year	Targets for 2020–21 and beyond
SDG 13: Climate Action (Continued)				
		<ul style="list-style-type: none"> Develop major renewable energy projects including via solar panels and kite-powered energy 	<ul style="list-style-type: none"> Creation of IBL Energy as a joint-venture with French renewable energy specialist Green Yellow (providers of an airborne wind-energy systems) responded to a national scheme in Mauritius for emerging innovative renewable energy (MARENA) and obtained agreement in principle for our project Application filed with the Mauritian Central Electricity Board for 32 photovoltaic sites capable of producing 10MW Feasibility study in progress to convert plastic waste into energy at PBL in partnerships with ETIA, a member of the ZERI network, and French leader in pyrolysis AfrAsia Bank received a € 10m line of green credit from the French Development Agency (AFD) of a green credit The bank has become part of the SUNREF Mauritius programme, which aims to promote private sector investment in energy and environmental projects 	<ul style="list-style-type: none"> See Agro & Energy Cluster Review p. 124 Implement the Skysails energy project in Mauritius by end 2021 Develop the Energy cluster (staff hires, project development) If approved by the CEB, finalisation of contract deployment. Aim: increase use of renewable energy across the group and reduce consumption of carbon-based energy by 10–15% Complete feasibility study and identify model for plastic pyrolysis in Mauritius
		<ul style="list-style-type: none"> <i>Supporting clean tech start-ups and entrepreneurs</i> 	<ul style="list-style-type: none"> Several IBL companies (AfrAsia Bank, Alteo, Phoenix Bev, The Bee, UBP) partnered with Dynamia Associate on the second Mauritius edition of The Climate Launchpad, the world's leading competition for green business ideas 	<ul style="list-style-type: none"> Continue to support clean tech start up and entrepreneur and strengthen partnerships within the start-up community to encourage innovation in Mauritius

Sustainability

OUR PERFORMANCE AND OBJECTIVES (CONTINUED)

Other SDGs impacted	We commit to...	Via	Major achievements this year	Targets for 2020-21 and beyond
SDG 13: Climate Action (Continued)				
		<ul style="list-style-type: none"> Via a think tank that brings together plays in the construction industry, IBL promote sustainable construction using bioclimatic principles and minimising the use of materials as well as limiting waste. 	<ul style="list-style-type: none"> Awareness of energy efficiency in construction design has increased, though progress has been slowed by the Covid-19 pandemic 	<ul style="list-style-type: none"> Develop a clearer framework for sustainable building at IBL
SDG 17: Building Partnerships for the Goals				
All SDGs	<ul style="list-style-type: none"> Strengthening cooperation with local and international organisations and various other socio-economic actors, using the SDGs as a shared framework and vision 	<ul style="list-style-type: none"> Participating in Zermatt Summits to discuss sustainability challenges and identify solutions for insular nations such as Mauritius 	<ul style="list-style-type: none"> Participation in the 2019 Zermatt Summit 	<ul style="list-style-type: none"> Participate in the 3rd Zermatt Summit in view of finding more opportunities to Mauritius and increase partnership initiatives. Involve more public and private bodies in ZERI projects and deliver ongoing projects
		<ul style="list-style-type: none"> Ongoing membership in the UN Global Compact and its 10 Corporate Sustainability principles (IBL Ltd, Afr Asia Bank and The Lux Collective) 	<ul style="list-style-type: none"> IBL became a Founding Member of the UN Global Compact in August 2020 Ongoing contribution to the creation of The Global Compact Local Network (Mauritius-Indian Ocean) 	<ul style="list-style-type: none"> Onboard more private sector companies, including IBL Group companies, to the UN Global Compact. Participate in high level debates to advance the SDGs Actively participate in the Global Compact Local Network strategy and action plan
		<ul style="list-style-type: none"> Ongoing collaboration with the authorities and membership in several committees of Business Mauritius' Sustainability and Inclusive Growth Commission 	<ul style="list-style-type: none"> Helped shaped the contents of SigneNatir, a private sector sustainability pact IBL Group and companies (PBL, Logidis, IBL Engineering, The Lux Collective...) actively participated in working groups and National Budget recommendations. Participation in the Assises de l'Environnement 2019 and its consultative discussions to develop a National Environmental Strategy for Mauritius 	<ul style="list-style-type: none"> SigneNatir to be launched before end 2020 with IBL companies as supporters Continued collaboration in shaping National Environmental Strategy for Mauritius
		<ul style="list-style-type: none"> Building partnerships for a more inclusive society via IBL's CSR activities 	<ul style="list-style-type: none"> See CSR Report p. 91 	<ul style="list-style-type: none"> See CSR Report p. 91

Corporate Social Responsibility

CSR AT IBL

Corporate Social Responsibility (CSR) is a key component of IBL's sustainability strategy. As a group whose vision is to create a brighter future for all, IBL remains deeply committed to improving long-term outcomes for underserved communities and vulnerable groups despite the increasingly difficult context for CSR funding in Mauritius.

IBL delivers its CSR activities via:

- Fondation Joseph Lagesse (FJL), the main non-profit organisation to which IBL channels CSR funds
- Nou Zenfan Bois Marchand, a non-profit company through which FJL implements its educational programmes for children living in Bois Marchand
- Les Cuisines Solidaires, a non-profit organisation that prepares meals from unsold food items and delivers them to NGOs in the Curepipe region
- Small Step Matters, a crowdfunding platform for non-profit organisations
- The Chemin Rail and Amaury Housing, which manages its social housing projects
- CSR programmes within IBL Operations, including Alteo, The Lux Collective, PhoenixBev, AfrAsia Bank and UBP among others.

FURTHER REDUCTIONS IN REVENUE FOR 2019-20

In the past year, FJL experienced a further reduction in its funding due to Mauritian CSR regulations. These regulations require 75% – up from 50% in 2018-19 – of CSR funds to be paid to the Mauritius Revenue Authority before being transferred to the National Social Inclusion Foundation (NSIF).

This year, FJL therefore retained only 25% of CSR funds from IBL Group companies to implement its programmes and support long-term partner NGOs and underserved communities. This represents a 24.6% reduction in incoming CSR funds compared to 2018-2019. As a result, FJL can no longer offer new tertiary education scholarships or provide financial support to NGOs already in receipt of NSIF funding.

This loss of revenue was offset by FJL successfully petitioning NSIF to allow IBL Operations to donate an additional 25% of their CSR funds to the foundation this financial year.

In addition, FJL secured Rs 4m in funding from the NSIF to support six of its programmes: a nursery school (including home visit and food programmes); a youth project; the provision of social support for vulnerable families; a parenthood support project; a health project; and a capacity-building programme for Bois Marchand community facilitators.



FJL'S PRIORITY AREAS AND ALIGNMENT WITH SDGs

FJL has worked on educational projects and in community development for the past 15 years. Its areas of intervention for the last two years have focused on:



These areas of intervention align with two of IBL's four priority SDGs:



And support the following additional SDGs:



Corporate Social Responsibility

ACHIEVEMENTS THIS YEAR

FJL implemented and monitored 14 programs and projects in line with its priority areas.

Projects and programmes	Achievements	Link to SDGs
1. Improving access to quality education		
<ul style="list-style-type: none"> Pre-primary education Home visits programme Food programme for children at school 	<ul style="list-style-type: none"> Delivered to 46 children (50 in 2018–19). Evaluation of FJL's pre-primary programme demonstrated that preschool beneficiaries are well integrated and doing well in primary. Grade 4 remains a challenge for them. Provided to 179 families (160 in 2018–19) 118 beneficiaries (133 in 2018–19) 	<ul style="list-style-type: none"> SDG 4
2. Enhancing the development of young people		
<ul style="list-style-type: none"> 18-month youth project: street art, life skills and professional orientation Dombeya Agricultural Youth Club: community gardening project and Happy Bees project, a beekeeping initiative Youth Orientation programme: supports youth during transition phase between school and professional life FJL Scholarship Scheme 	<ul style="list-style-type: none"> Phase III is under way: 10 teenagers and young adults have been placed in jobs and are receiving training (30 in 2018–19) 14 young people (11 in 2018–19) 7 young people (10 in 2018–19) No new scholarships this year (14 in 2018–19) In 2019, seven scholarship recipients completed their tertiary studies thanks to CSR funding from IBL 	<ul style="list-style-type: none"> SDGs 4, 8, 10
3. Promoting social justice and human dignity		
<ul style="list-style-type: none"> Health project 17th October annual initiative: improving the living conditions of women in Singamanee 	<ul style="list-style-type: none"> 72 children of Centre d'éveil de Bois Marchand, Ecole maternelle Ste. Famille Ongoing project benefitting 25 women 	<ul style="list-style-type: none"> SDGs 1, 3, 10, 11
4. Empowering communities		
<ul style="list-style-type: none"> Capacity-building for facilitators Parenting programme Revey Twa Bois Marchand Pou Nou Fierite 3-year community development project Drug prevention programme Housing improvement project Housekeeping programme for the residents of FJL's new social housing project 	<ul style="list-style-type: none"> 1 facilitator benefited from a 1-week international conference and workshops on substance abuse prevention run by Community Anti-Drug Coalitions of America in Dallas, U.S., in July 2019 3 new groups of 45 parents in total are starting this year Project completed this year. Evaluation revealed that the project fully aligned with the expectations of the community as expressed in 2017. Three of the projects within this initiative have been structured as ongoing FJL programmes and will be carried forward on a regular basis Multi-year project reaching 80 beneficiaries in 4 communities 2 community members travelled to the substance abuse prevention conference mentioned above Works completed for 1 member of the locality with another 3 due to complete in 2021–22. FJL is seeking help and support from IBL companies to accelerate the process Project completed last year 	<ul style="list-style-type: none"> SDGs 1, 3, 10, 11

Corporate Social Responsibility

OUR CSR RESPONSE TO COVID-19

Providing basic necessities to those in need

During the lockdown in Mauritius, Fondation Joseph Lagesse went back to basics by distributing food and soap in Bois Marchand and Chemin Rail, in partnership with FoodWise. IBL Operations and affiliates including Winner's, BrandActiv, HealthActiv, MedActiv and Small Step Matters all mobilised to help vulnerable communities in Mauritius.

Seafood

- 18,000kg of fish distributed to NGOs and other associations
- Funds raised to distribute 500 food packs in areas near Seafood operations

FJL

- 140 food packs distributed to 70+ families
- 26 diaper packs to 12 families

Small Step Matters

- MUR 3,327,000 raised during lockdown
- These funds allowed 2500 families to receive food parcels via FoodWise, Caritas and the Rainbow Foundation

Winner's

- Monthly food drives organised throughout Mauritian lockdown to support NGOs working with underprivileged communities
- June 2020 food drive saw 12 tons of food worth MUR 1.6m distributed to 120 NGOs via FoodWise, benefitting 2,100 families
- Winner's also prepared 11,000 of the 35,000 food packs distributed by the National Empowerment Fund

EVALUATION OF BOIS MARCHAND EDUCATIONAL PROGRAMME

FJL assessed its pre-primary educational programme for children living in Bois Marchand this year, following the creation of a comprehensive logic model taking into account expected outcomes and long-term impact. The evaluation process included one-to-one interviews with beneficiaries, a focus group with parents, and the school results of children living in Bois Marchand.

The results demonstrate that:

- The school's timetable could better respond to the children's needs and their biological rhythms.
- Parents have a positive perception of, and are generally satisfied or very satisfied with, the Ecole Maternelle Ste. Famille programmes implemented by Nou Zenfan Bois Marchand school staff members. This issue will be reassessed with more respondent parents next year.
- There is a need for collaboration with Terre Rouge Government School to provide extracurricular activities for children after primary school.
- Enhanced literacy initiatives are needed to ensure the academic performance of children living in Bois Marchand and going through Primary School Achievement Certificate examinations.
- There is a need to improve the quality of pre-primary educators' teaching.

The next step will be to assess each of the activities within the pre-primary education programme, from its provision of academic education to its food programme and meals; how children are welcomed to school each morning; the quality and frequency of home visits to parents; and the appropriateness of the school's premises and play areas.

For more information, please visit <https://www.fondationjosephlagesse.org/research-evaluation/>

OUTLOOK

The lack of visibility regarding our CSR income from one year to the next is a significant challenge. In 2020–2021, due to ongoing funding cuts, FJL will reposition itself as a capacity-building entity, assisting IBL Operations with the development and delivery of their individual CSR strategies. It will also work directly with vulnerable communities, empowering them to enhance their own livelihoods. The FJL Research and Evaluation Unit, created in 2018, is a critical part of this new strategic direction, enabling it to assess the impact of its programmes and better target its initiatives.

Risk Management

A CHALLENGING ENVIRONMENT

Several exceptional events occurred at the end of the 2019–20 financial year, significantly impacting IBL's risk profile. In addition to the Covid-19 pandemic, Mauritius was included on the European Union's list of high-risk countries following the Financial Action Task Force's (FATF) decision to place Mauritius on its watchlist. The combined impact of these events is testing the resilience of our businesses, our team members and Mauritius as a whole. However, IBL's diversification, agile business model, skilful teams and solid risk management framework have enabled our group to react promptly to these threats in order to contain their impact, identify emerging opportunities and prepare for recovery.

The impact of the Covid-19 pandemic

The first cases of Covid-19 in Mauritius were detected in March 2020. The country's authorities took immediate measures to minimise the spread of the disease and strengthen national health services and resources. These measures included social distancing, the closure of the country's borders and a nationwide lockdown that brought entire sections of the economy to a standstill.

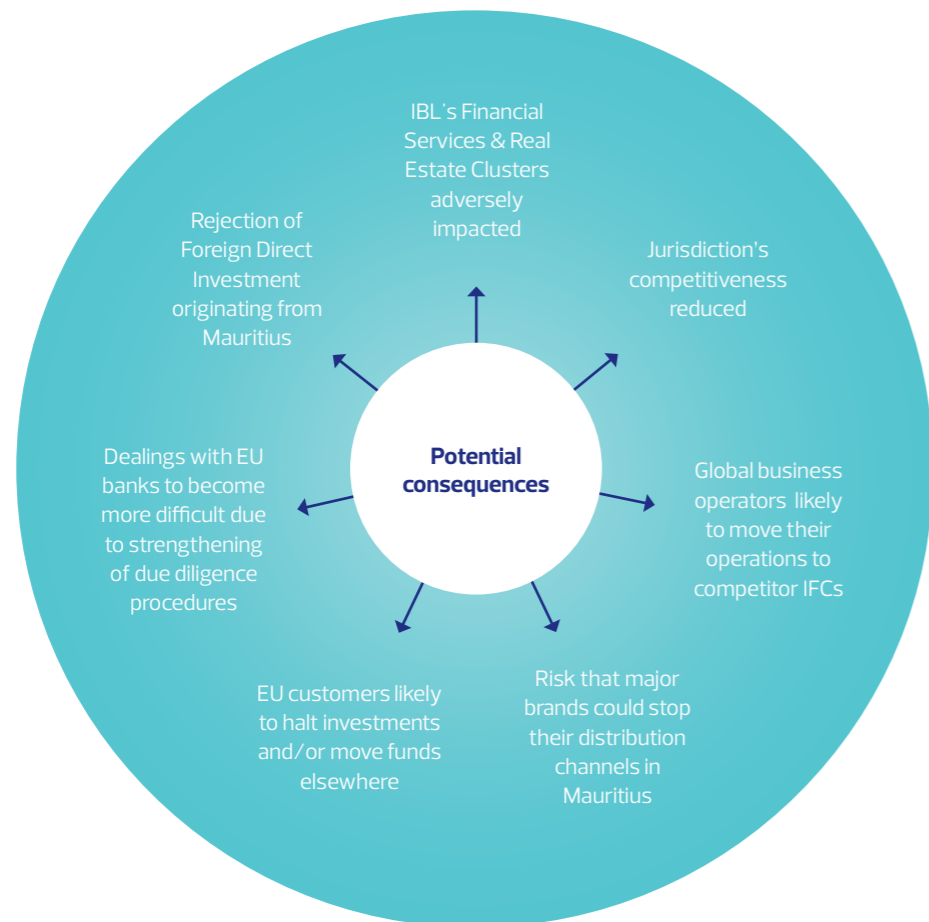
This "new normal" required IBL to take action to protect its teams, clients, community, and businesses. See p. 78. Its multiple impacts on the group's performance and outlook are set out on p. 124–147.

IBL's Risk Management team continues to monitor the situation on a daily basis. At the time of writing, the sanitary situation in the country remained stable, with strict travel restrictions and quarantine measures in place. This has allowed our group to focus on strengthening our strategy and business model and to position ourselves for renewal in the future. While it is difficult to assess the magnitude of the economic damage arising from Covid-19, and despite the resulting global economic recession, IBL's diversification is likely to at least partly mitigate the pandemic's financial impact on our group.

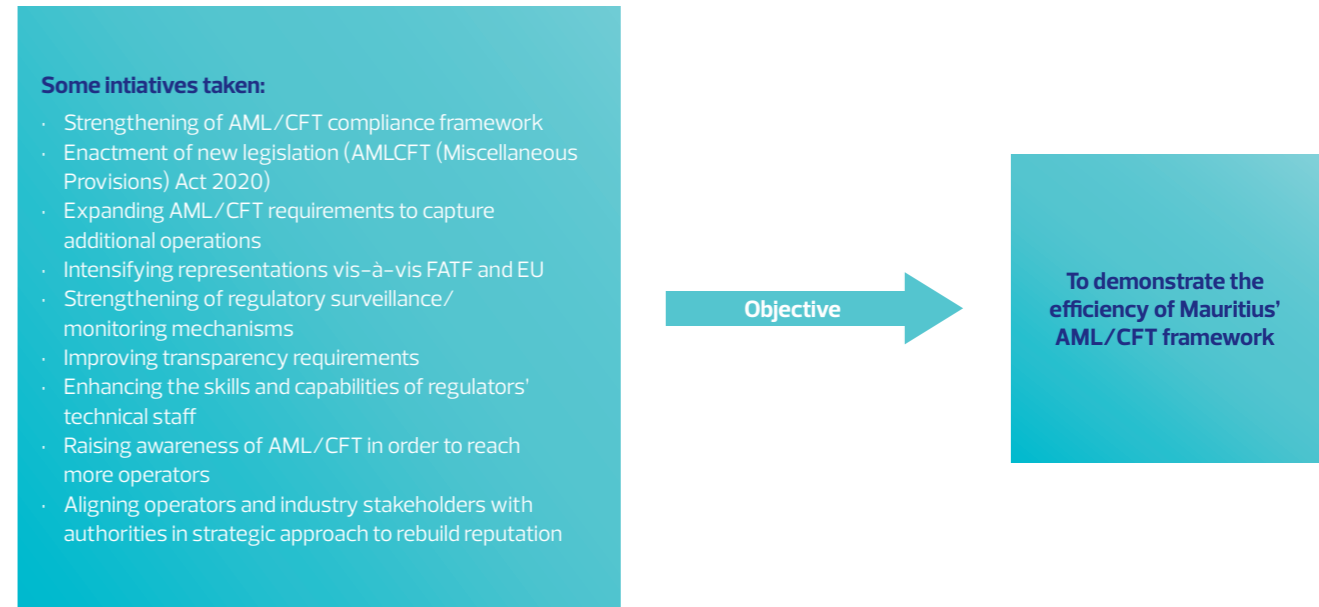
The impact of Mauritius' inclusion on EU and FATF lists

(i) Inclusion on the FATF watchlist and EU list of high-risk countries: Consequences for the IBL Group

Mauritius' downgrading on the FATF and EU lists is likely to damage our reputation internationally and place the country's financial services sector under pressure. Some of the potential adverse consequences are outlined below. IBL strongly believes that the country will be able to exit these lists in the near future.

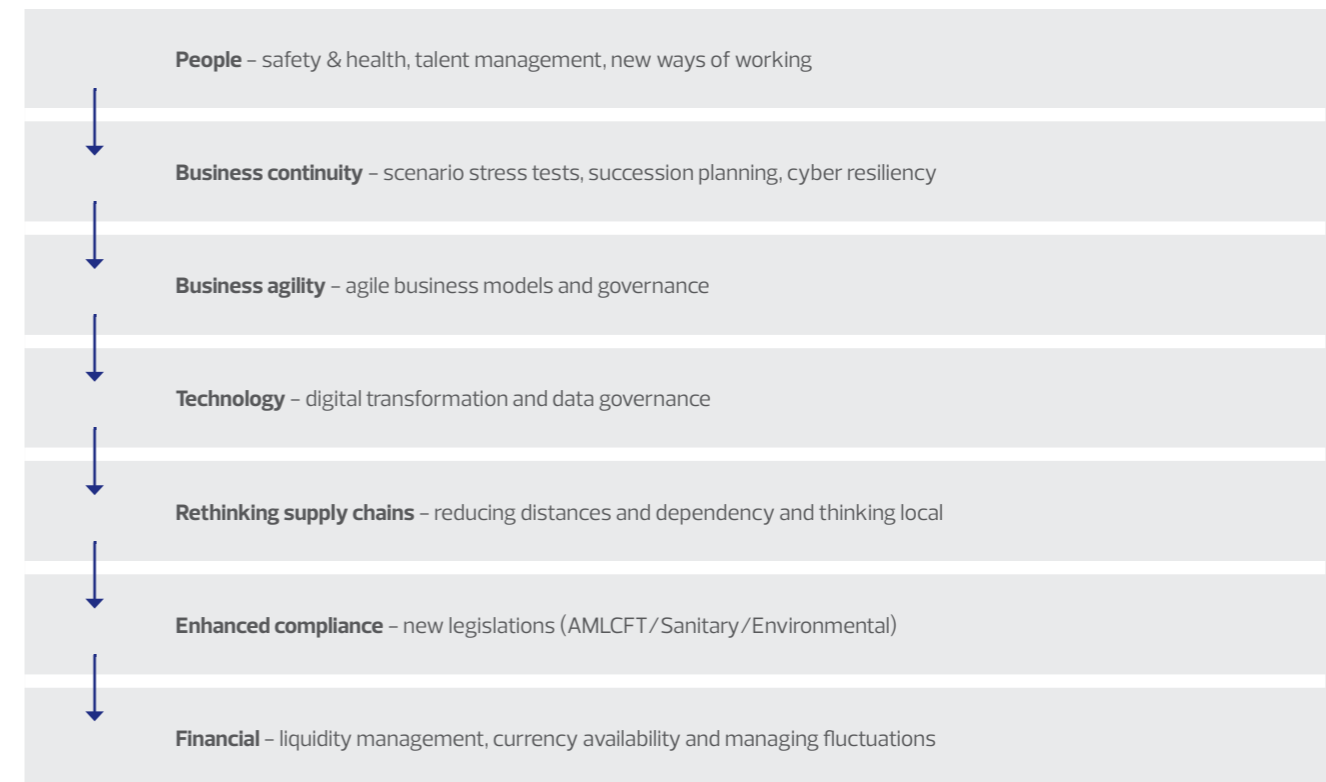


(ii) National measures being taken to rebuild the country's reputation as a reliable and credible International Financial Centre:



Priority areas in the current macroeconomic context

The current context brings several risk management areas into focus for all IBL businesses:



Risk Management

DELIVERING ON OUR RISK MANAGEMENT ROADMAP

This year, we continued to deliver on our risk management roadmap, progressing to step 4 and deepening our risk management maturity.

Step 1 2017–2018	Step 2 2018	Step 3 2018–2019	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 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 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.

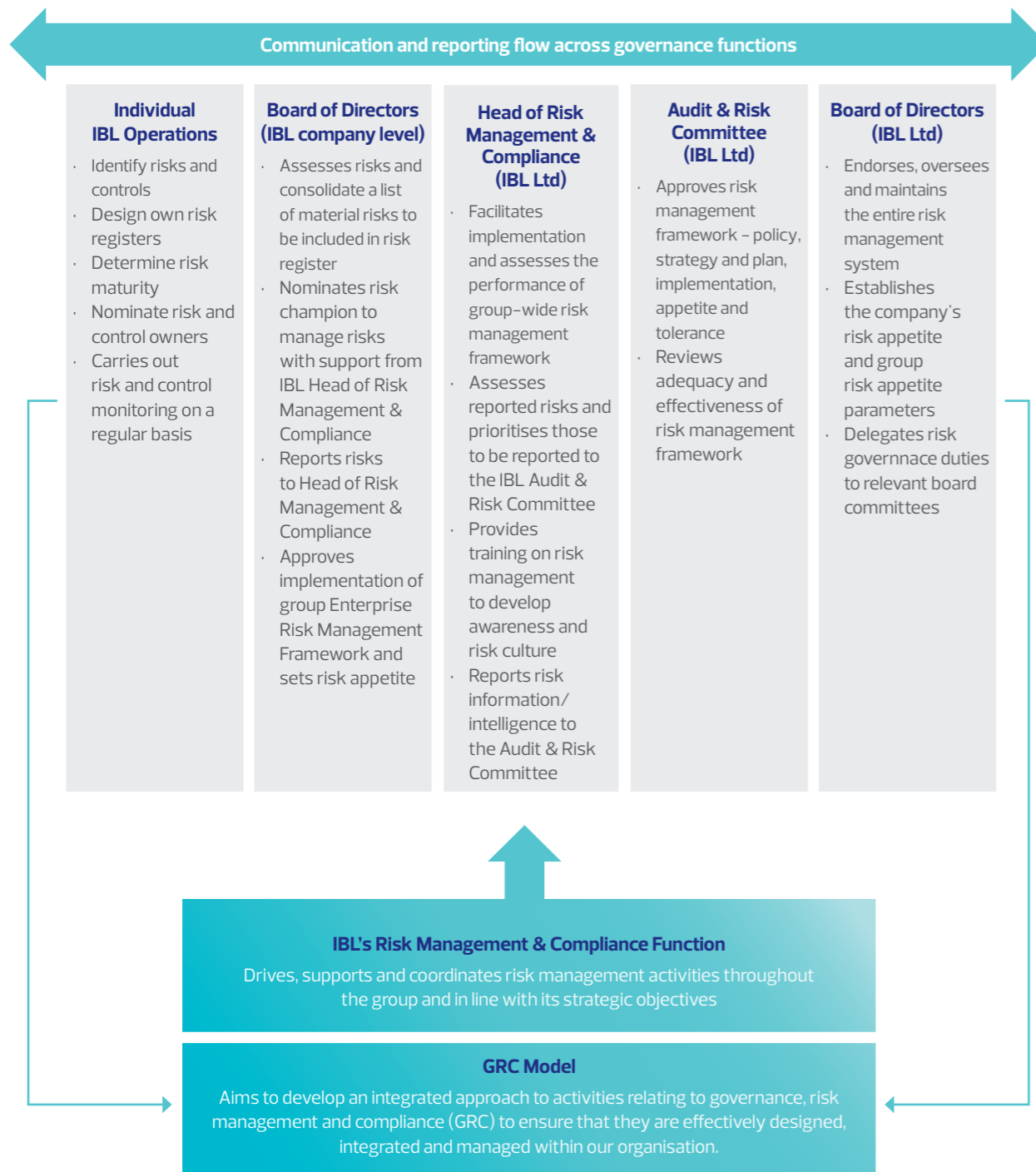
Risk management areas	Progress towards step 4
Risk awareness	<ul style="list-style-type: none"> Continuous promotion of risk management activities in IBL businesses Communication with management, senior management, directors, and risk owners regarding specific control components and/or risks Training/awareness and assistance on specific risk topics (Covid-19 impact, data protection, compliance, business continuity, cyber security, ethics) Risk management function as part of IBL Group Crisis Committee
Risk reporting	<ul style="list-style-type: none"> Regular risk reporting to the IBL Audit & Risk Committee Risks included in management and board meeting agendas Software still a work in progress
Risk assessment	<ul style="list-style-type: none"> Monitoring of trends regarding existing risks, controls, and emerging risks in light of the local and global context Risk identification and reporting exercise completed in the Seafood Cluster (see below) Monitoring of top risks and controls Risk assessments undertaken for the treasury and safety & health departments Annual assessment of group top risks undertaken
Risk monitoring	<ul style="list-style-type: none"> Review of risk identification activities in Merger & Acquisitions process (see below) Review of risk governance structure, delegation of authority and approval processes Close collaboration with IT Department to monitor progress on mitigating cybersecurity threats, confidentiality breaches, and business continuity (taking Work-from-Home into consideration)
Control activities	<ul style="list-style-type: none"> Identification of critical business processes via a Business Impact Assessment (BIA) Improvement of disaster recovery plan for the Corporate Centre based on BIA Testing cyber resilience at IBL Corporate Centre Deployment of cyber / IT security roadmap aligned with new remote working capabilities (including Work-from-Home) Alignment of governance structures, delegation of authority and approval processes within IBL businesses Setting up of a compliance framework for IBL and its operational subsidiaries Upgrading safety & health risk register at IBL Corporate Centre

RISK MANAGEMENT ACTIVITIES DURING THE YEAR

Risk management areas	Risk management activities
Governance practices	<ul style="list-style-type: none"> Strengthened our governance structures by aligning best practice across several IBL businesses in terms of board composition, regularity of meetings, reporting, delegation of authority and approval processes.
Compliance culture	<ul style="list-style-type: none"> Designed a general compliance management framework for IBL based on recommended practices in the international standard ISO 19600:2014.
Mergers & Acquisitions (M&A)	<ul style="list-style-type: none"> With the M&A team, reviewed our internal M&A process in order to strengthen risk identification, analysis and reporting methods throughout its various stages.
Cybersecurity	<ul style="list-style-type: none"> Strengthened cybersecurity resilience thanks to the IT team's continued deployment of our cybersecurity roadmap. New IT policies finalised and deployed across IBL businesses, taking into account Work-from-Home and flexible working schemes.
Confidentiality	<ul style="list-style-type: none"> Data classification initiatives successfully tested. To be deployed within IBL head office in the coming financial year.
Business continuity	<ul style="list-style-type: none"> Creation of a Business Continuity Steering Committee (BCSC) to drive business continuity initiatives and improve group resilience. Business continuity management roadmap devised alongside a methodical implementation process. Framework and charter now in place; several business impact assessments completed. Business continuity implementation to be accelerated in the first half of 2020–21, taking into account lessons learnt from Covid-19.
Seafood Cluster and other IBL businesses	<ul style="list-style-type: none"> Risk identification and assessment programme completed in Seafood cluster subsidiary companies, with risk registers now in place and risk and control owners identified. Principal risks and action plans have been reported to the Boards of Seafood companies. Risk identification and assessment activities were also initiated in other IBL businesses.
Data protection	<ul style="list-style-type: none"> Continued to train data protection officers and assist them in the implementation of "Privacy by Design" principles.

Risk Management

RISK MANAGEMENT STRUCTURE AND KEY RESPONSIBILITIES



OUR CONTROL ENVIRONMENT

The risk management and compliance functions are part of the second line of defence within IBL's control environment.

During this financial year, we continued to strengthen our control environment as follows:

- Delivering on our roadmap and promoting a risk-based culture throughout IBL businesses
- Designing a compliance framework for IBL
- Setting up of a Business Continuity Steering Committee to drive our business continuity strategy and initiatives
- Working in close collaboration with other lines of defence to strengthen the control environment
- Focusing on key control elements such as IT, Safety & Health, Data Protection, Ethics and Governance
- Communicating with key governance players on risk issues
- Cross-sharing with the internal audit function on risk issues

The Head of Risk Management & Compliance attended IBL's Audit & Risk Committee meetings during the year as per the below attendance table:

Meeting date	Attended
02 August 2019	✓
20 September 2019	✓
11 November 2019	✓
10 February 2020	✓
03 June 2020	✓

The Audit & Risk Committee received regular reports from the Head of Risk Management & Compliance and was able to consider matters such as:

- Risk trends
- Compliance updates
- Risk management activities
- The efficiency of the risk management framework; and
- Risk management reporting for the Integrated Report 2019/20.

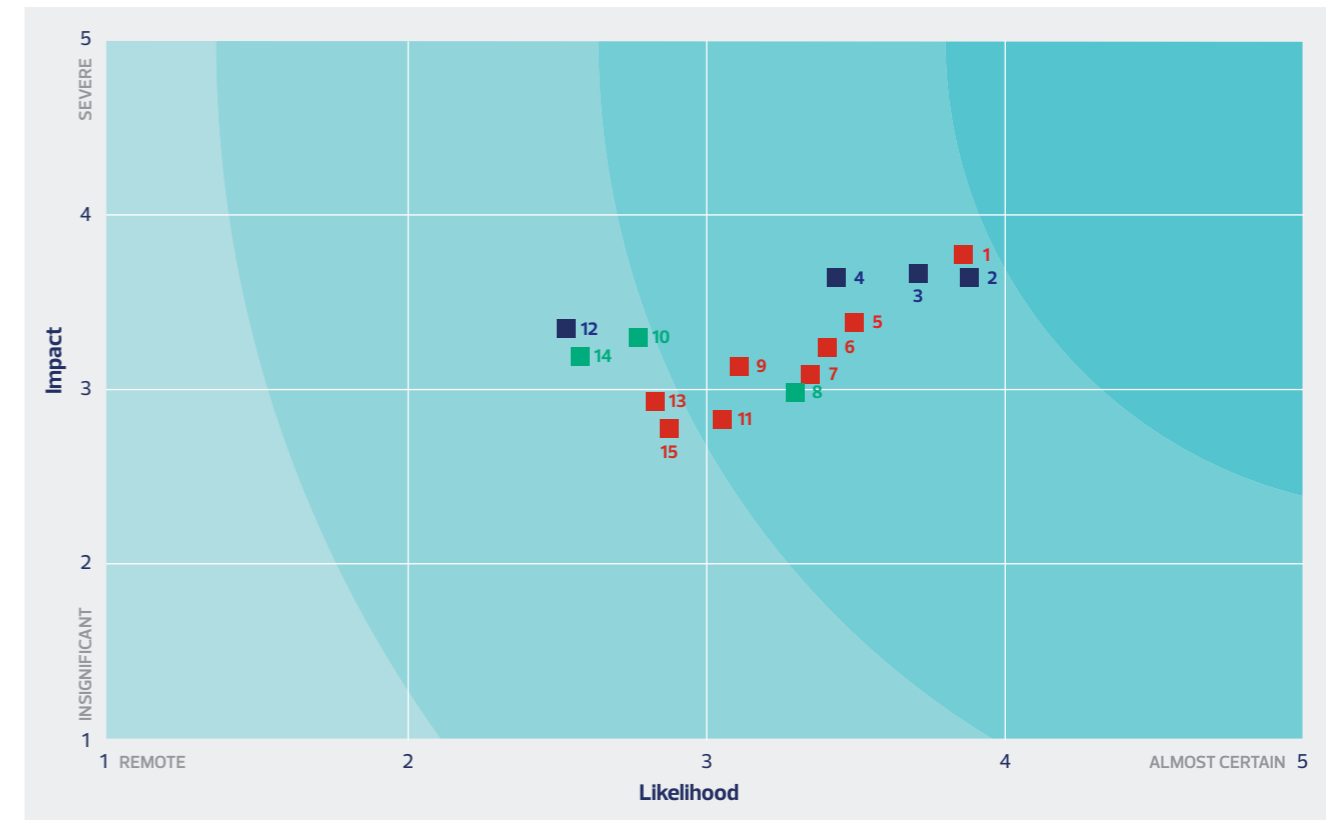
Risk Management

RISK APPETITE STATEMENT



HEAT MAP – IBL'S TOP 15 RISKS

As in previous years, we undertook a risk assessment exercise to refresh our risk register. The risk assessment exercise was undertaken at the end of July 2020. A panel consisting of members of IBL's Executive Team were asked to participate and rate the IBL Group's top risks. This new risk ranking reflects the global and local context as outlined on p. 102–107 of this report. "New" risks are those which have been rated for the first time this year. Risk trends are reported using last year's rankings as a baseline.









Main risks

- | | | |
|-------------------------|-----------------------------------|------------------------------------|
| 1) Tourism performance | 7) Forex fluctuations | 13) Volatility of commodity prices |
| 2) Pandemic | 8) Sugar cluster performance | 14) Cybersecurity threats |
| 3) FATF watchlist | 9) Market concentration | 15) Technology efficiency |
| 4) Foreign currencies | 10) Sustainability of tuna stocks | |
| 5) Government policies | 11) Property sales performance | |
| 6) Industry performance | 12) Climate change | |

Trends (based of last year's ranking)




























- Increase
- Decrease
- New

Risk Management

Ranking	Risk	Description	Main capitals impacted
1	Tourism performance	Decline in the number of high-value tourists visiting Mauritius and in the destination's attractiveness coupled with increasing competition from other destinations. Negative impact on the performance of the hotel industry and related industries	
2	Pandemic	Pandemic threat (or threat of resurgence) leading to sanitary and economic crisis and the loss of lives, closure of businesses, redundancies	
3	FATF watchlist	Inclusion of Mauritius on the FATF watchlist and EU list of high-risk countries, damaging the country's reputation and attractiveness as a credible financial hub for global investors. Impact on the performance of our businesses in the financial services and property development industries	
4	Foreign currencies	Lack of foreign currencies on the local market leading to: 1. an inability to pay foreign suppliers and meet contractual agreements, resulting in partial or complete halt of commercial activities 2. a devaluation of Mauritian Rupee resulting in a significant increase in the price of products and services and a decline in competitiveness	
5	Government policies	Unfavourable government policy decisions, including with regard to the fiscal and economic business environment, impacting group strategy and performance	
6	Industry performance	Cyclical industries causing significant volatility in revenues	

Mitigating measures	Clusters impacted	Link to group-level strategy
<ul style="list-style-type: none"> International expansion (hotel management contracts/ownership in foreign countries) Diversification of revenues in various foreign currencies (USD/EUR/GBP) Hospitality community to discuss/develop a strategy to improve the Mauritian destination and its visibility Covid-19 mitigating measures: <ul style="list-style-type: none"> Renting of Tamassa Hotel to Mauritian government for quarantine purposes New marketing strategy and offering based on Mauritius' status as a Covid-19-free destination Close cooperation with stakeholders and authorities to market the destination and prepare for the reopening of borders New packages devised for local market Phased reopening of hotels Stringent cashflow management measures Redeployment of team members Application for support from Mauritius Investment Corporation and other government schemes, including Wage Assistance Scheme 	<ul style="list-style-type: none"> Hospitality & Services Commercial & Distribution Logistics 	
<ul style="list-style-type: none"> Business Continuity Plan in place and already tested in the context of the Covid-19 pandemic Crisis committee and crisis management plan in place Sanitary protocols and other safety & health measures in place Financial stress-testing in place Work-from-Home scheme in place 	<ul style="list-style-type: none"> Group 	
<ul style="list-style-type: none"> Changes to legislation (new AML/CFT legislation) Demonstration of efficiency of Risk Based Supervision: Enhanced on-site inspections by Financial Services Commission Government initiatives to address the issue rapidly Additional businesses subject to AML/CFT legislation Implementation of FATF action plan (monitored by a special ministerial committee reporting to the Prime Minister) Implementation of compliance framework within IBL businesses 	<ul style="list-style-type: none"> Financial Services Property 	
<ul style="list-style-type: none"> Group forex conversion policy: IBL to control sales of foreign currencies by group forex sellers, ensuring that forex buyers are able to purchase foreign currencies from the group should the market dry up Negotiation of extended payment terms with foreign suppliers Strict management of cashflow and forecasts Where applicable, creation of hedging strategies to match budgeted conversion prices while protecting companies (partially or in full) from exposure to foreign currencies 	<ul style="list-style-type: none"> Group 	
<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 Strengthening of presence in key private sector representative bodies Intensification of representation on key bodies to assist decision-making 	<ul style="list-style-type: none"> Group 	
<ul style="list-style-type: none"> Strengthening project planning and contract management teams and communication processes (top-down and bottom up approaches) Investigating new avenues for business Close monitoring of all tenders in the region Ordering industry-specific surveys in individual countries Strict management of cashflow and forecasts 	<ul style="list-style-type: none"> Building & Engineering Property 	

Risk Management

Ranking	Risk	Description	Main capitals impacted
7	Forex fluctuations	Negative fluctuations in principal currencies and the Mauritian rupee, impacting revenues from our import and export operations	  
8	Sugar cluster performance	Unfavourable global sugar market with pressure on prices and production costs severely affecting the financial performance of our Agro & Energy cluster	   
9	Market concentration	Over-reliance of group results on the performance of Mauritian business activities	     
10	Sustainability of tuna stocks	Reduction in wild tuna stocks impacting the supply of raw materials to the Seafood cluster and indirectly impacting the financial performance of the Logistics Cluster and our shipbuilding activity	    
11	Property sales performance	Increasing competition from other local and foreign residential development projects putting additional pressure on sale capabilities, cashflow and turnover	  
12	Climate change	Failure to adapt our activities and take appropriate actions to face climate change events and natural disasters, leading to complete stop of operations, loss of lives and substantial financial losses and damage to assets	     

Mitigating measures	Clusters impacted	Link to group-level strategy
<ul style="list-style-type: none"> Group Treasury service to assist IBL businesses with assessing and mitigating impact of adverse forex movements Diversification of activities and income sources worldwide Group currency management strategy Group forex conversion policy in place to mitigate a lack of forex on the market Where applicable, creation of hedging strategies to match budgeted conversion prices while protecting companies (partially or in full) from exposure to foreign currencies 	<ul style="list-style-type: none"> Group 	  
<ul style="list-style-type: none"> Geographical diversification towards markets less influenced by world and European Union market conditions or in which Mauritius enjoys a competitive advantage (East African operations i.e. Kenya and Tanzania) Diversification into higher value-added products that are less sensitive to global market conditions Diversification of income sources including optimisation of revenue from by-products Improved productivity through operational excellence Accelerated mechanisation/automation programmes Drastic cost containment measures for local production (short-term viability) National rethink/reform of the sugar industry with the participation of all stakeholders to ensure the industry's survival 	<ul style="list-style-type: none"> Agro & Energy 	 
<ul style="list-style-type: none"> Implementation of regional and international development strategies to export and develop businesses outside of Mauritius Creation of a regional office in Kenya and appointment of a Regional Business Development Executive to drive the group's regional expansion strategy Portfolio and currency diversification 	<ul style="list-style-type: none"> Group 	  
<ul style="list-style-type: none"> Ongoing lobbying of the Indian Ocean Tuna Commission (IOTC) to pass resolutions enabling sustainable tuna stocks in the Indian Ocean Increased participation in 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 Mauritius Export Association and lobbying for the creation of a seafood association 	<ul style="list-style-type: none"> Commercial & Distribution 	 
<ul style="list-style-type: none"> Ensuring a robust development screening process for new projects Adopting competitive pricing strategies Building attractive residences on prime sites to enhance demand Creating an offer to address demand from local market Differentiating offer to set ourselves apart from mass market Ensuring the permanent adequacy of offer relative to customers' needs Diversifying the group's activities by achieving a balance between office and retail developments Improving sales efficiency Looking at new markets Stringent cash flow management measures in place 	<ul style="list-style-type: none"> Property 	
<ul style="list-style-type: none"> Group-wide energy efficiency programme SkySails agreement Photovoltaic solar projects (at LUX* Ile des Deux Cocos, LUX* properties in Maldives, and Alteo) Raising awareness of environmental concerns and commitment to SDGs, with a particular focus on climate change and climate actions Group Sustainability Policy and development of group-wide strategy for sustainability and responsible business conduct Agricultural diversification to increase resilience Waste to Energy project Cyclone and heavy rain procedures in place 	<ul style="list-style-type: none"> Group 	  

Risk Management

Ranking	Risk	Description	Main capitals impacted
13	Volatility of commodity prices	Volatility in the price of commodities impacting margins and performance	
14	Cybersecurity threats	Increased cyber-attack attempts and IT system security breaches	
15	Technology efficiency	Loss of competitiveness and efficiency due to inadequate investment in digitalisation, in response to rapid changes in technology and customer expectations	

Mitigating measures	Clusters impacted	Link to group-level strategy
<ul style="list-style-type: none"> Mitigation plan defined, including potential price adjustments Development of appropriate hedging mechanisms Close monitoring of factors that generally affect commodity prices Focus on local production capacities 	<ul style="list-style-type: none"> Building & Engineering Property Commercial & Distribution Agro & Energy Logistics 	
<ul style="list-style-type: none"> IT governance framework Information security governance framework being developed, including IT policies Cyber /IT security roadmap developed Due diligence on external partners undertaken Outsourced cyber security consultant to accompany the group Financial resources deployed to enhance IT security framework Cyber resilience testing Awareness of security best practices continuously refreshed and strengthened with remote working capabilities Gradual implementation of AIP, a solution to protect our documents IT controls to secure our Corporate Collaboration tool and audits to verify the controls' effectiveness 	<ul style="list-style-type: none"> Group 	
<ul style="list-style-type: none"> Digital Transformation Strategies within the group Dedicated digital projects team Development of digital transformation roadmaps for individual IBL businesses and regular progress reviews by the IBL digital team Close follow-up and provision of assistance on group's digital strategic initiatives Benchmarking of emerging technologies shared with relevant companies on a regular basis Membership of Mauritian Fintech association to stay up to date on new technologies Partnerships with relevant experts in specific digital domains to upskill internal resources and stay up to date with international trends 	<ul style="list-style-type: none"> Group 	