

STRATEGY



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INTERVIEW WITH THE GROUP CEO

7 MIN

WE ARE NOW IN THE SECOND YEAR OF THE COVID-19 PANDEMIC. HOW HAS IBL BEEN AFFECTED?

IBL's focus this year has been on moving forward together. While the COVID-19 crisis continues to impact some of our businesses, it has also been an opportunity to take stock of our activities' strengths improve how we work with the benefit of hindsight and accelerate our investment in key growth areas, including fast-tracking our expansion into East Africa.

Thanks to the ongoing engagement of our people as well as our agility, geographical and sectoral diversification, solid financial foundations and the ongoing support of our shareholders and other stakeholders, IBL has weathered the crisis better than many of its peers. Our performance demonstrates that we are emerging from the pandemic stronger and more resilient than ever. It is my hope that the worst is now behind us.

HOW DID THE GROUP PERFORM THIS YEAR?

After a difficult year in 2019-20, IBL saw a rapid recovery in almost all its activities except its hospitality, aviation and property businesses.

The group's total revenue declined by only 2% (from Rs 36.54bn last year to Rs 35.86bn this year end), mostly attributable to the poor performance of our hospitality cluster. The latter saw an operating loss of Rs 1bn, reflecting a cumulative Rs 4.2bn decline in revenue and a Rs 1.8bn decrease in operating profit over the past two financial years. Our aviation and shipping activities were also severely affected by the COVID-19 pandemic and Mauritius' border closures throughout the year, while BlueLife was impacted by lower property sales, lower rental income and lower turnover from hotels. Despite these challenges, the group posted a net profit of Rs 74.9m for the year, up from a loss of Rs 1.43bn last year.

Among our associates, Alteo had a very good year, with profit after tax up by Rs 1.64bn compared to FY2020 thanks to higher sugar prices and favourable fair value movements, while AfrAsia's total operating income declined by 32% to Rs 2.58bn and its profit after tax declined by 41% to Rs 916m due to interest rates being at a historic low.

This is despite the fact that COVID-19-related restrictions were in place all year, as opposed to last year, during which we operated normally for nine months before the emergence of the pandemic. It reflects not only the relevance and strength of our businesses and brands, but also our ability to quickly adapt, both on an operational level and on a human one.

HOW HAS COVID-19 CHANGED HOW THE GROUP WORKS?

IBL's priority remains to safeguard our teams, partners, clients, and community, as well as to protect shareholder value as much as possible. When Mauritius' second COVID-19 lockdown was announced in March 2021, our business continuity plans and safety & health protocols were already well-established. They were immediately redeployed, with our teams coming into the office in shifts to minimise the virus' potential spread; personal protective equipment readily available; and stringent sanitary practices keeping our employees and clients safe, both at Head Office and across our Operations. We accelerated our vaccination campaign, encouraging take-up among our staff and front-liners in particular (in logistics, supermarkets, hospitality, etc.), and contributing to the government's goal of achieving herd immunity in Mauritius. IBL's leadership was vaccinated early, and we actively communicated about the importance and benefits of vaccination.

INTERVIEW WITH THE GROUP CEO

Throughout the group, our businesses have pivoted and reorganised how they work to tackle challenges such as disrupted supply chains, changing customer expectations and the need for stringent sanitary measures. They also quickly repositioned to take advantage of the new opportunities that have emerged in areas such as medical testing and consumables. The businesses that have been most acutely impacted by the pandemic, including our hospitality and property activities, have taken steps to conserve cash and limit their overheads while preparing for a recovery in the travel and tourism markets.

COVID-19 has also accelerated IBL's digital transformation journey, with businesses embracing new technology solutions to create value for customers and employees while safeguarding their cyber-resilience and security in the face of new threats. Now more than ever, IBL is aware of the need to have the right talent to adapt to a fast-changing environment. We are therefore focusing on standardising and improving our approach to succession planning and talent management across the entire group, including subsidiaries.

On a national level, IBL has continued to work closely with the national authorities and Business Mauritius on public policy measures and the national budget. Fondation Joseph Lagesse and our group's other CSR entities are also actively supporting our community, donating food and other essentials to front-liners and those most at risk in vulnerable areas.

HAS THE PANDEMIC AFFECTED IBL'S STRATEGY?

IBL continues to pursue its strategy of strengthening its Mauritian core, developing in the region and expanding internationally. However, the group also refreshed its strategy early in the third quarter, identifying three major growth areas that it intends to pursue going forward: Renewable Energy, Healthcare, and opportunities in East Africa.

These strategic 'sprints' reflect not only COVID-19's short-term impact on our operating context, but our changing ambitions and the new market opportunities that have emerged in recent years.

Our expansion into African markets is a major strategic and executive focus for IBL. We believe there is a significant opportunity to develop our group in East Africa. We are continually assessing potential targets for acquisition in the region, building on the excellent work of our business development team in Nairobi. Our ambition is to create a full-fledged IBL Africa, based in Nairobi and with its own executive team, within the next five years. We are currently structuring our presence in Kenya, identifying a team and seeking out adequate financing.

The Healthcare sector has been given a boost by the COVID-19 pandemic, and our health-related activities are poised for acceleration in Mauritius and the wider region. We have notably separated our medical distribution business from our fast-moving consumer goods business and appointed a dedicated COO for the latter activity. We are also developing new medical destinations that will soon be operational in several parts of Mauritius.

With Renewable Energy the fastest-growing energy source in the world, IBL is seeking to build upon its existing expertise to capture a share of this growth. We have now recruited a seasoned management team to drive our renewable energy business and have carried out a strategic review in partnership with McKinsey. Its recommendations will be implemented starting this year. In the interim, we will continue to develop the business' capacity and know-how and seek to expand into the region.

HOW DO YOU FEEL ABOUT THE IBL GROUP'S GROWTH PROSPECTS GIVEN THE CONTEXT?

I am extremely pleased about how the group has weathered the COVID-19 storm. The numbers speak for themselves. However, we do expect some short-term volatility in the market, and we will need to remain vigilant and closely monitor our costs. It is important that we structure our activities appropriately to ensure that our growth remains sustainable. And while our roots remain firmly Mauritian, it is nonetheless crucial that we seek out new business opportunities elsewhere.

I am also heartened by the fact that we have seen lots of great new talent join IBL recently. I believe that this is because we are perceived as a strong, stable company able to offer job security in an uncertain climate, but also as a dynamic group that provides employees with exciting career opportunities. We must build upon these strengths and continue to position ourselves as a Great Place to Work.

Our main priorities for 2021-22 are to recruit the right people to deliver on our strategy, ensure we have the right financial resources to support our growth and identify acquisition opportunities to drive our international expansion. If we achieve these objectives, I believe that our prospects are very bright indeed.

ACKNOWLEDGEMENTS

The crisis has had a major impact on all of our stakeholders, from our teams, who have had to adapt to new ways of working, to members of our community who are experiencing hardship during this economic downturn. I am immensely grateful to our people for their ongoing commitment and hard work despite the difficult circumstances. 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. And finally, I would like to thank our shareholders and financial partners for their continued confidence in IBL.



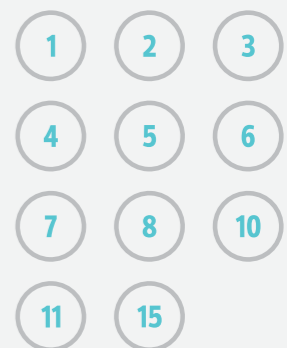





Arnaud Lagesse
Group Chief Executive Officer

UNDERSTANDING OUR OPERATING ENVIRONMENT






MAJOR EXTERNAL TRENDS

	IMPLICATIONS FOR OUR STRATEGY
<p>LOCAL AND REGIONAL ECONOMIC HEADWINDS DUE TO THE IMPACT OF THE COVID-19 PANDEMIC</p> <p>COVID-19 has compounded existing macroeconomic challenges in many of our key markets.</p> <p>In Mauritius, GDP declined 14.9% in 2020, among the largest COVID-19-related GDP losses in the world. Successive waves of COVID-19 in Mauritius' main source markets and the prolonged closure of the country's borders have had a major impact on the tourism sector, on which the economy is heavily dependent.</p> <p>Though the country's economy is expected to return to growth in 2021, this recovery will depend on the extent of private sector investment and of a rebound in the tourism industry. The latter is unlikely to reach 2019 levels until after 2023.</p> <p>The country's construction and property industries were also heavily affected by the crisis but are now recovering, with national investment in infrastructure likely to trigger an upturn in construction activities in 2021-22. Domestic market activities and retail trade are also expected to pick up, while ICT and financial services will probably retain their existing growth momentum.</p>	<p>IBL's strategy is characterised by sectoral and geographical diversification, which has proven to be a key source of resilience.</p> <p>The group continues to carefully manage costs and capital expenditure in its most heavily affected Clusters. It is also focusing its investments in strategic growth areas. IBL has recently defined a strategy for renewable energy via our Agro & Energy Cluster and for healthcare via our Life & Technologies and Commercial & Distribution Clusters. We believe that both sectors will be key drivers of growth in the future.</p> <p>IBL is also strengthening and expanding its Eastern African presence in order to take advantage of growth opportunities in the region.</p> <p>Alongside this, we continue to invest in strategic enablers including our human capital management and digital capabilities to strengthen our group's resilience and remain competitive in the medium and long term.</p> <p> Strategy, page 54 Human Capital, page 64 Technology & Transformation, page 67</p>
<p>CREDIT RATING AND REGULATORY CHANGES</p> <p>In March 2021, Moody's downgraded the Government of Mauritius' sovereign credit rating from Baa1 to Baa2. It maintains a negative outlook for the country based on its weakening fiscal and economic performance. A continued deterioration of these metrics could lead to a further downgrade. This would increase the costs of imports, while likely leading to higher inflation and interest rates, impacting household income and therefore consumer spending.</p> <p>Following the EU's inclusion of Mauritius on its revised list of high-risk countries with strategic deficiencies in their anti-money laundering and counter terrorist financing (AML-CFT) frameworks as well as its inclusion on the FATF's 'grey list' of jurisdictions subject to increased monitoring, the Mauritian government has made substantive efforts to address these issues. As a result, Mauritius expects to be removed from the FATF grey list and the EU blacklist before the end of 2021.</p>	<p>IBL's strategy takes into account the risk of market concentration in Mauritius. This is among the factors driving IBL's region and international strategies and its efforts to consolidate its presence on the African continent.</p> <p>IBL welcomes the prospect of Mauritius being removed from the FATF and EU lists. However, IBL's strategy for its Global Business activities includes a focus on diversifying geographically and minimising the business' market concentration risk.</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> Strategy, page 54</p>

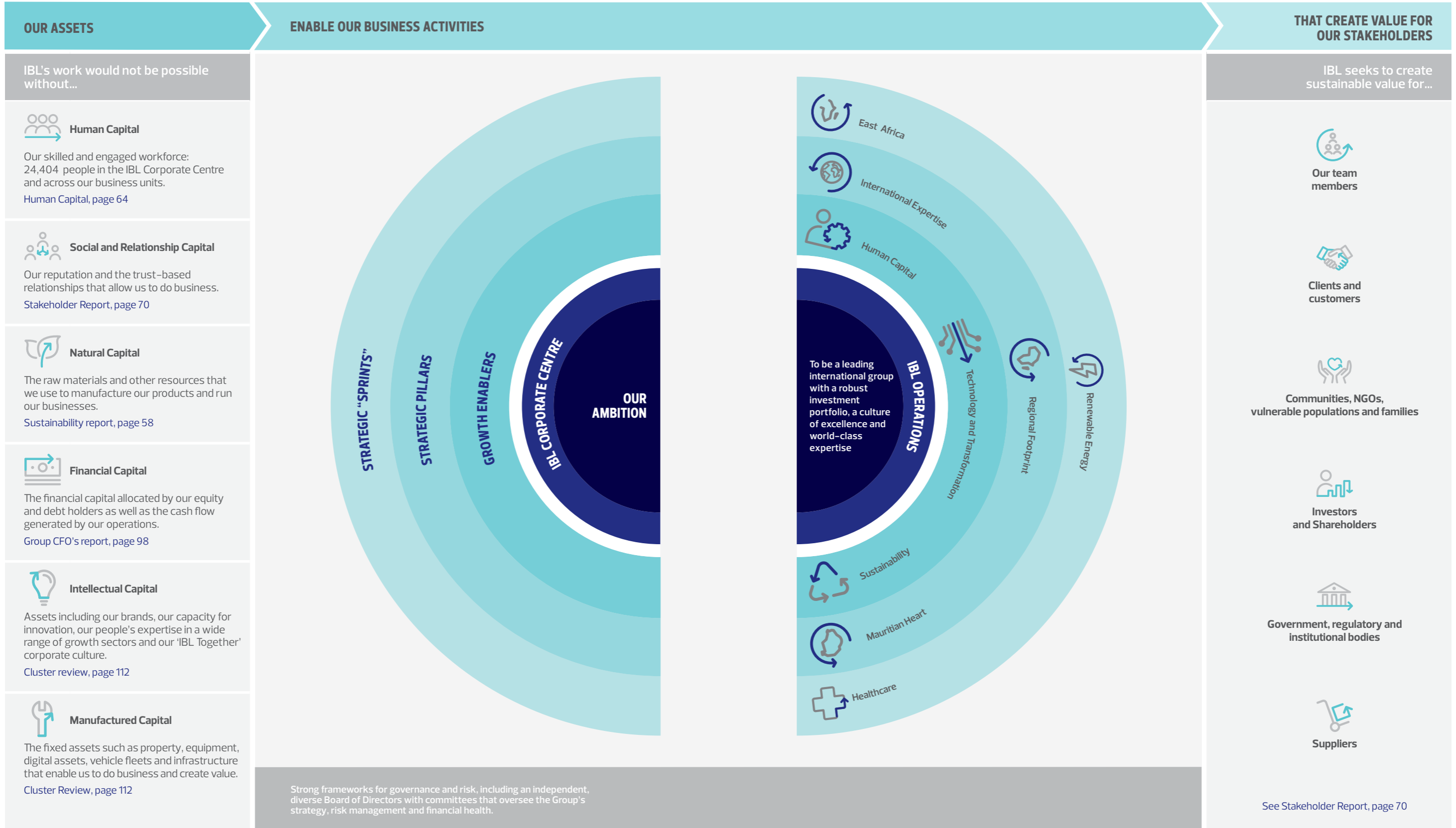
CLUSTERS IMPACTED	STRATEGIC PILLARS IMPACTED	MAIN RISKS IMPACTED
<p>Heaviest impact on Hospitality & Services (77.7% YOY contraction in tourist arrivals in Mauritius during 2020).</p> <p>The crisis also affected the following Clusters, though they are now seeing a return to growth:</p> <ul style="list-style-type: none"> · Building & Engineering · Property – BlueLife · Logistics – Aviation <p>The crisis had the least impact on:</p> <ul style="list-style-type: none"> · Financial & Other Services · Life & Technologies · Agro & Energy · Commercial & Distribution · Seafood · Logistics (Shipping) <p> Cluster review, page 112</p>		
<p>A credit downgrade would affect activities across our portfolio. While it would make Mauritius' sugar exports more competitive on the global markets, it would also increase the cost of the imports upon which IBL depends and potentially affect our client's ability to purchase our products and services.</p> <p>If Mauritius is not rapidly removed from the FATF and EU lists, it would impact our:</p> <ul style="list-style-type: none"> · Financial Services Cluster due to heightened KYC requirements which could make the Mauritian jurisdiction less appealing to international investors and dealings with EU banks and customers more difficult. · Property Cluster due to enhanced due diligence for individual buyers with higher risk profiles. · Commercial & Distribution Cluster, as Mauritius could become less appealing to international businesses and brands. <p> Cluster review, page 112</p>		

UNDERSTANDING OUR OPERATING ENVIRONMENT

	IMPLICATIONS FOR OUR STRATEGY
<p>MAURITIAN BUDGETARY MEASURES FOR 2021</p> <p>Key measures include:</p> <ul style="list-style-type: none"> Support for renewable energy, with the use of coal to be completely phased out by 2030 Funds earmarked for the development of major infrastructure projects Measures to support new economic pillars including the biotechnology and pharmaceutical industry Measures to support the hospitality industry Promotion of 'Made in Moris' manufacturing with a particular focus on the agro processing, food processing, medical biotechnology and pharmaceutical sectors Measures to promote the development of the Blue Economy An increase in the prices of alcoholic beverages 	<p>These measures confirm the soundness of IBL's existing strategy for Clusters in its Mauritian core and of its more recent focus on the renewable energy and healthcare sectors.</p> <p> Strategy, page 54</p>
<p>AN INCREASE IN DIGITALISATION AND CHANGING CUSTOMERS NEEDS AND EXPECTATIONS</p> <p>Worldwide, the COVID-19 pandemic has accelerated digital transformation and brought a host of new competitors online. Businesses are rapidly adapting their products and services to new customer expectations and onboarding new technologies. The rate and sophistication of cybersecurity threats has also increased.</p> <p>This is creating both opportunities for digital innovation and challenges as businesses grapple with the use of technology to drive performance while managing emerging or increased risks.</p>	<p>In 2020-21, IBL began to implement a new Information Technology Governance Framework to strengthen and harmonise the group's technology management and governance standards. A key element of the framework is the appropriate management of cybersecurity risks.</p> <p>IBL also continues to deliver on our digital roadmap, integrating innovative new technologies (particularly ERPs) into our businesses in order to improve performance, while evolving our products and services to reflect customers' changing needs and expectations.</p> <p> Strategy, page 54 Technology & Transformation, page 67</p>
<p>SUSTAINABILITY</p> <p>In a context characterised by climate change and rapid social, technological and market evolution, there is an increasingly clear business case for investing in sustainability. It is a crucial aspect of risk management; it can drive innovation, improve efficiency and reduce costs, for instance through better management of natural resources, minimising waste or developing new products to meet emerging needs (e.g. in the case of renewables); and businesses who perform well on strong environmental, social and governance also tend to perform better financially.</p> <p>On a reputational level, 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>IBL is aware that sustainability is increasingly an operational concern and a key risk, particularly given our headquarters in a Small Island Developing Nation that is vulnerable to climate change.</p> <p>IBL is actively developing an environmental, social and governance roadmap aligned with the United Nations Sustainable Development Goals. The COVID-19 pandemic has also sharpened our focus on sustainable energy production and on local manufacturing (in Mauritius).</p> <p> Strategy, page 54 Sustainability, page 58 Stakeholder engagement, page 70</p>

CLUSTERS IMPACTED	STRATEGIC PILLARS IMPACTED	MAIN RISKS IMPACTED
<p>The budget has positive implications for:</p> <ul style="list-style-type: none"> Agro & Energy (renewable energy) Building & Engineering Commercial & Distribution (healthcare trading) Life & Technologies (pharmaceutical and laboratory services) Commercial & Distribution (local manufacturing in Mauritius) <p>The rise in alcohol prices has potentially negative ramifications for PhoenixBev in our Commercial & Distribution Cluster.</p> <p> Cluster review, page 112</p>		<p>1 9 11</p> <p>15</p>
<p>ALL</p>	  	<p>3 8 15</p>
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BUSINESS MODEL



IBL'S STRATEGY

IBL'S STRATEGY

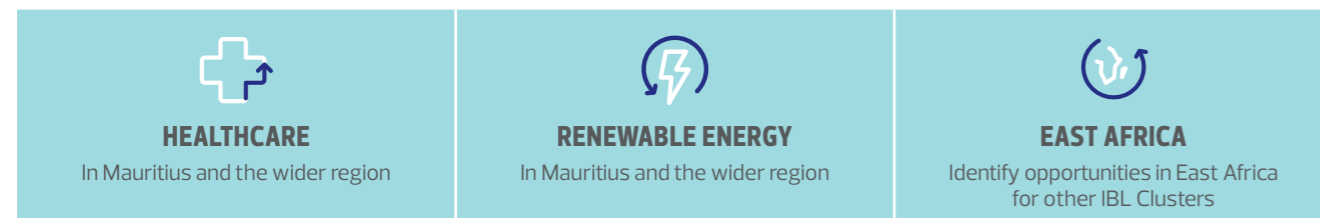
IBL developed a holistic strategy for its activities in 2017, one year after the amalgamation of Ireland Blyth Limited and GMLI, in the aim of becoming a leading international group with a robust investment portfolio, a culture of excellence and world-class expertise.

Our strategy is anchored in the three pillars below:



While IBL has largely followed its roadmap over the past three years, the group has had to adapt to a changing context. We have experienced unforeseen challenges in some sectors, but other areas of activity have presented new opportunities. Our African ambitions have grown, as reflected by the creation of our African Office in Nairobi and our ongoing work on M&A opportunities, while healthcare and renewable energy have emerged as strong areas of future growth for IBL.

During the financial year, with support from McKinsey, IBL undertook a strategic review to identify opportunities and define expansion strategies for the following three 'sprints'. For each sprint, IBL aimed to define investment objectives, entry and long-term strategies, key success factors and financial criteria.



Governance, human capital management and performance management – will be crucial if we are to achieve these objectives. Please see our Corporate Governance Report and Human Capital Report for more information.

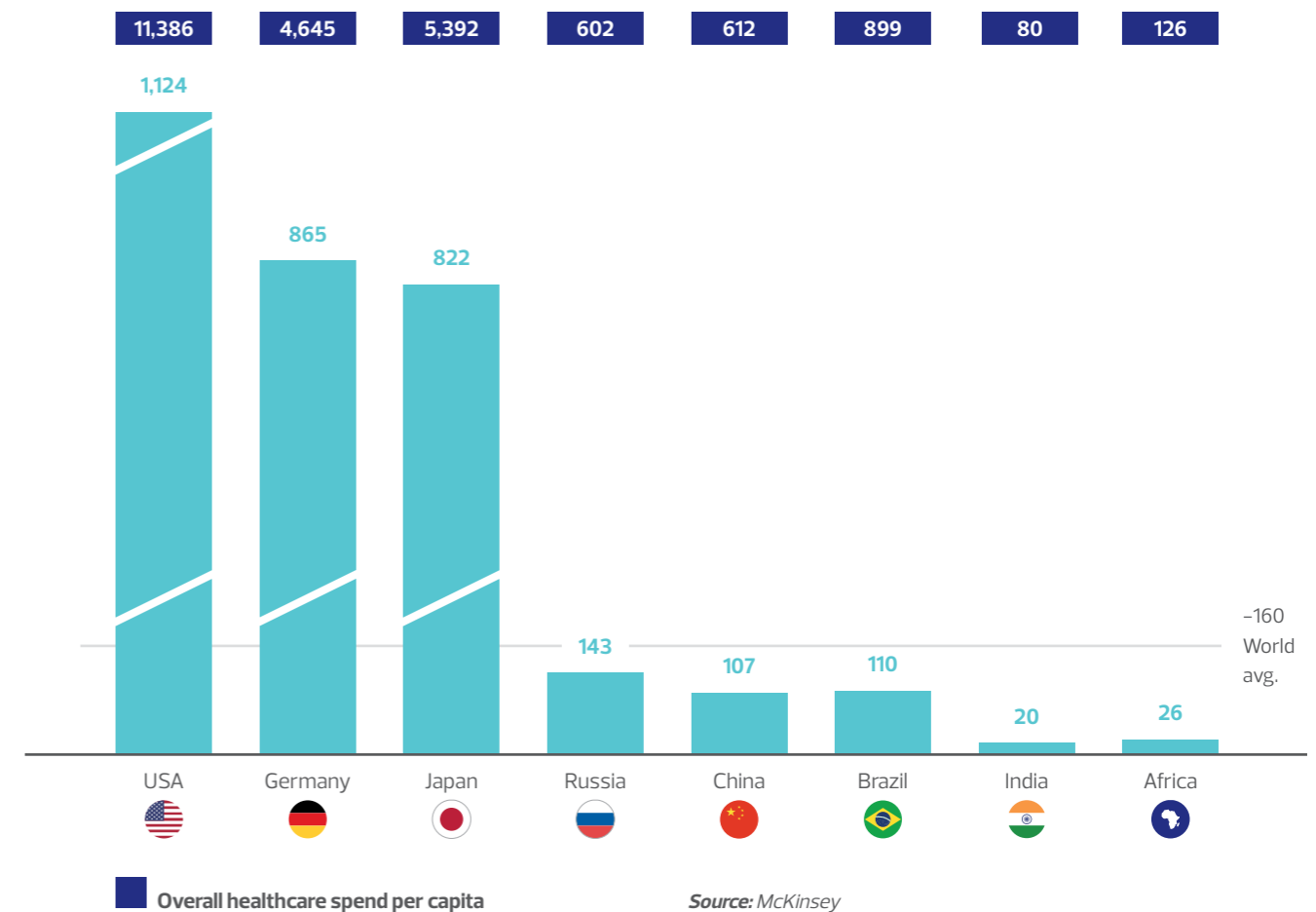
HEALTHCARE

The Pan-African pharmaceutical market is worth circa USD 26 billion and is expected to grow at a rate of ~ 5% annually over the next 5 years, potentially reaching circa USD 33 billion by 2024. In sub-regions of Eastern and Western Africa, the sector is expected to grow 7% to 10% annually until 2024, driven mainly by demographic changes and increased health spend.

Africa's pharmaceutical market is currently under-penetrated. Pharmaceutical sales per capita across the continent are 1/6th of the world average. While South Africa and Algeria sit at the higher end of the consumption ladder, large countries such as Ethiopia, Ghana and Nigeria have a per capita spend of 1/10th of the world average. This is likely to increase significantly in the future.

Pharmaceutical sales per capita, USD 2019

Africa vs rest of the world



We believe that there are significant opportunities for IBL to capture part of this future growth. IBL already operates in healthcare at two ends of the value chain spectrum: in clinical research and testing on one end; and in the distribution of pharmaceuticals and consumables (wholesale and retail) and supplying medical equipment in the region on the other.

Our existing knowledge base could provide meaningful "USP" with which to develop our activities in Africa. Given our small size, we will need to be selective in our investment strategy.

IBL'S STRATEGY

Going forward, IBL intends to focus on:

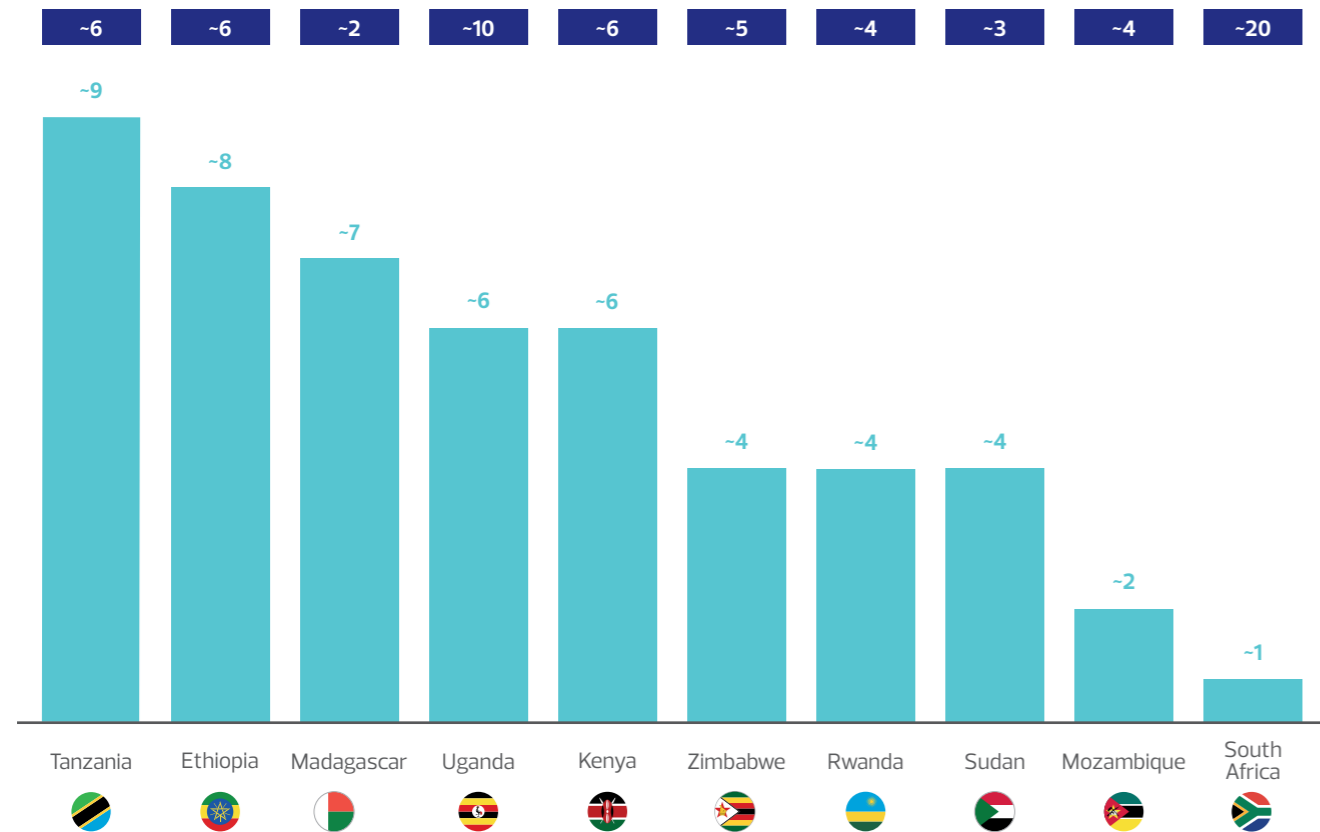
MAURITIUS AND INDIAN OCEAN ISLANDS	MAINLAND AFRICA
<ul style="list-style-type: none"> Enhancing product range and efficiency in pharma, consumables, and medical equipment Growing our footprint in retail Developing clinical trial and testing capabilities 	<ul style="list-style-type: none"> Evaluating organic and inorganic opportunities to invest in healthcare businesses

RENEWABLE ENERGY

The energy sector is an attractive area of growth in Africa and in the world. Wind and solar sources of energy now represent more than half of the new "additions" to production capacity worldwide. And with the African population set to double to 2.5bn by 2050, energy demands on the continent will increase, with new infrastructure needing to be built to accommodate its demographic growth. It is estimated that 100,000MW of capacity will be added in Africa by 2035.

A significant number of players – both equity and debt investors – have already taken up position on the continent. With the continent currently suffering from significant power supply outages, competition to develop efficient systems will continue to offer new opportunities in the sector.

Number and duration of electrical outages in a typical month in Africa, #, latest available data per selected country



Average duration of a typical outage in hours

Poor maintenance of existing plants have led to an undersupply of power while CAPEX (especially for transmission) is challenging to secure

Beyond "typical" energy assets (i.e., non-renewables and traditional renewable energy facilities such as solar farms and wind turbines), new niche areas – such as biofuel from biomass or waste – are emerging. These represent attractive areas of investment, especially given the waste biomass already produced by certain IBL subsidiaries and the group's current plans to convert waste to energy.

The COVID-19 pandemic will also inevitably have an impact on the energy sector in Africa, and on conventional production in particular. This will present new investment opportunities.

IBL Group recognises that the energy sector is extremely diverse. Our size and investment capacity mean that we will need to be highly selective in our investment approach and focus on niche areas.

We will evaluate investment opportunities according to the following criteria:

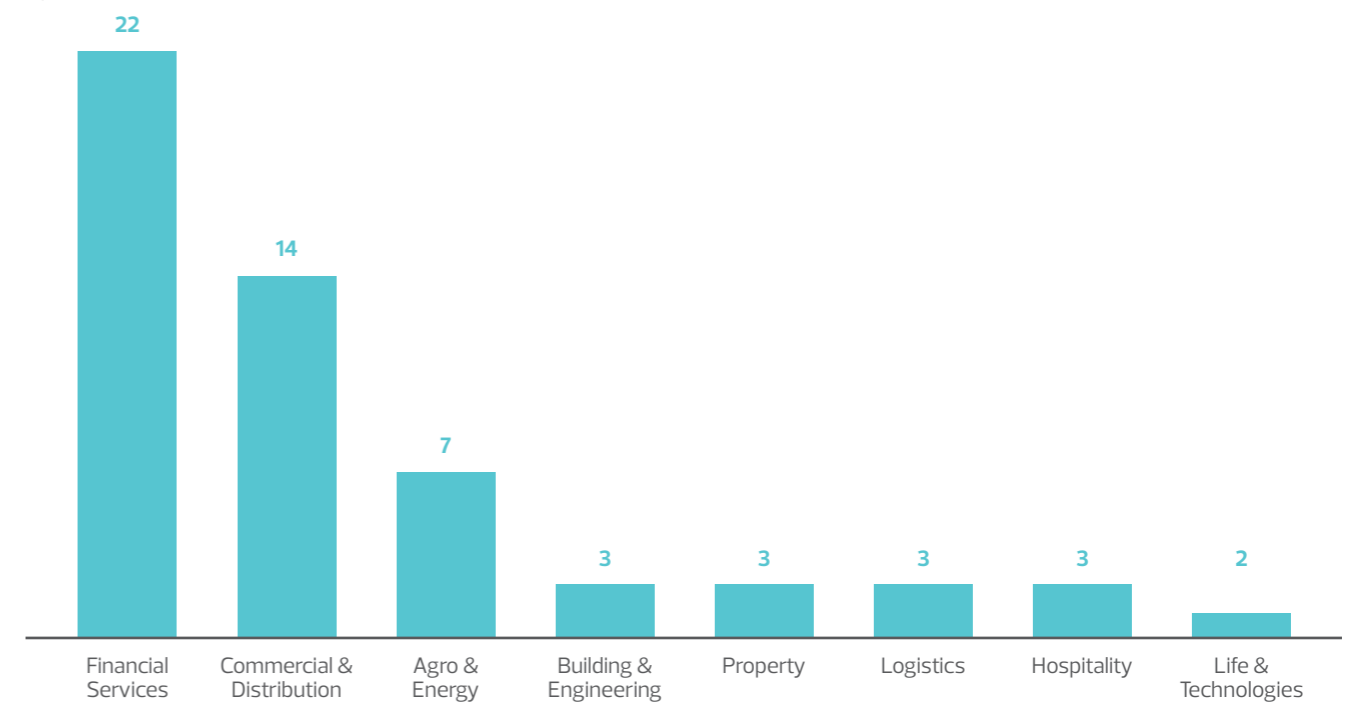
1. Where to go – i.e., which countries to invest in
2. Whom to serve – i.e., what customer segments to target
3. What technology to use

EAST AFRICA

There have been several mergers and acquisition transactions in East Africa in the recent past, confirming that industry players are interested in developing their presence on the continent.

IBL has created an African Regional Office in Nairobi and our team has developed a strong network on the continent. We are constantly evaluating potential opportunities in these sectors and aim to invest if they satisfy our strict internal investment guidelines for risk vs. returns.

Transactions by IBL cluster, #, 2018-2020



Having reviewed our strategic intent and approach for East Africa, we have re-affirmed that IBL should aim to be a strategic investor open to taking minority stakes and that IBL's value proposition should anchor IBL's expertise.

IBL has prioritised six key sectors for regional expansion: logistics, healthcare, renewable energy, retail & distribution, industrial property, and financial services. We strongly believe we can generate value in all of these.

SUSTAINABILITY

IBL'S ESG STRATEGY

The COVID-19 pandemic has made it clear that businesses need to integrate resilience and agility into their business models. The magnitude of the environmental and social challenges that we face, is pushing companies to rethink how they do business. Businesses that pay attention to environmental, social, and governance concerns perform better on average and a strong sustainability proposition can help ensure a company's long-term success. Companies with a strategic focus on sustainability and transparency are also typically much more agile in responding to unexpected events.

Worldwide, there is also increasing demand, from investors, for firms to take sustainability considerations into account and report on their environmental, social and governance strategies (ESG).

ESG issues

ENVIRONMENTAL PILLAR			
Climate change	Natural resources	Pollution & waste	Environment opportunity
Carbon emissions	Water stress	Toxic emission & waste	Opportunities in clean tech
Product carbon footprint	Biodiversity & land use	Packaging material & waste	Opportunities in green building
Financing environmental impact	Raw material sourcing	Electronic waste	Opportunities in renewable energy
Climate change vulnerability			

SOCIAL PILLAR			
Human capital	Product liability	Stakeholder opposition	Social opportunity
Labor management	Product safety & quality	Controversial sourcing	Access to communication
Health & safety	Chemical safety		Access to finance
Human capital development	Financial product safety		Access to health care
Supply chain labor standards	Privacy & data security		Opportunities in nutrition & health
	Responsible Investment		
	Health & demo. risk		

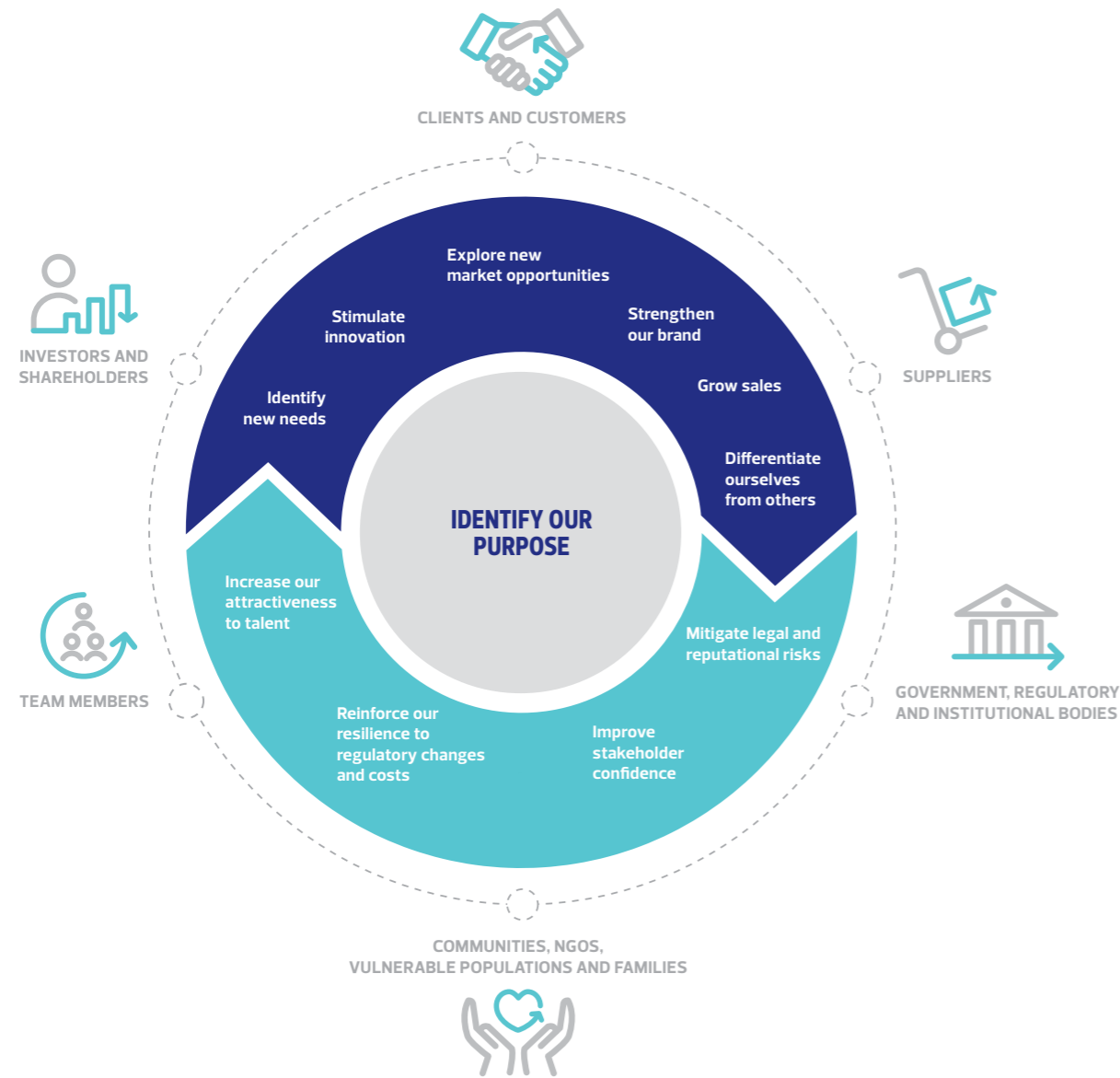
GOVERNANCE PILLAR	
Corporate governance	Corporate behaviour
Board diversity	Business ethics
Executive pay	Anti-competitive practices
Ownership	Corruption & instability
Accounting	Financial system instability
	Tax Transparency

Source: PwC

A focus on ESG issues supports IBL's core business and sustainability strategies, while ensuring that we are living up to our corporate values, making ethical decisions and engaging with our stakeholders. By consistently scrutinising our investment and business decisions, from an ESG perspective, IBL also believes it can mitigate ESG-related risks and capture business opportunities arising from ESG trends, enhancing the value we create for our stakeholders.

SUSTAINABILITY

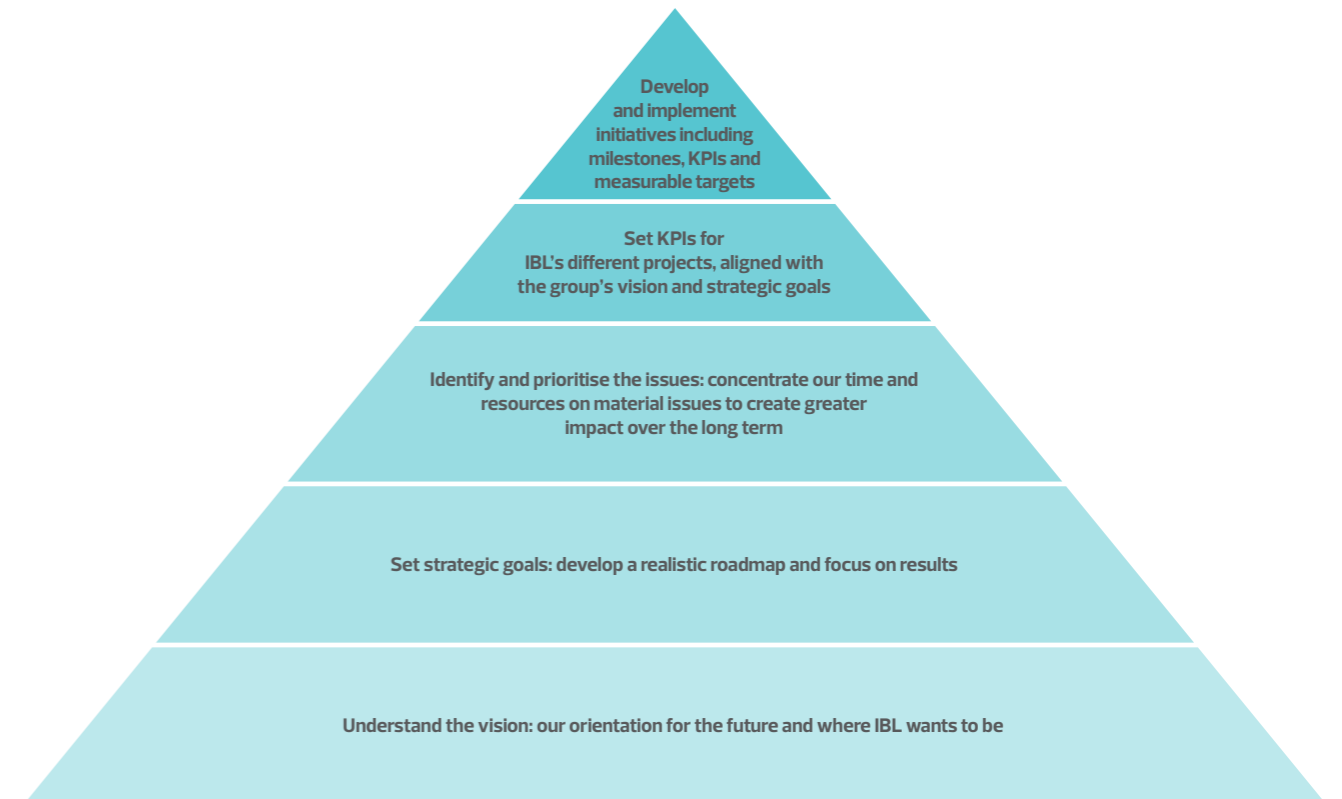
The benefits of an ESG approach



Source: Deloitte
See Stakeholder Report page 70

IBL is due to publish an ESG roadmap in December 2021. This will guide investment, drive performance and engage stakeholders. Its successful implementation will depend on our ability to integrate ESG into our overall business strategy, building on IBL's vision and purpose.

How we are developing IBL's ESG roadmap



We have now started to develop dedicated ESG Task Forces to integrate sustainability matters across IBL's core processes. The Task Forces are led by senior executives and staffed with team members from different operations and functions. This will ensure top-level alignment and buy-in, as well as cross-functional integration, collaboration and support.

The Task Forces' main role will be to develop and coordinate projects and proposals for ESG integration into the business. The aim is to align proposals with ESG criteria prior to their being signed off by the Boards of our various operations.

Going forward, we also intend to report on IBL's performance against ESG risks, opportunities, and related strategies, using both qualitative disclosures and quantitative metrics.

WE SUPPORT



IBL's commitment to the UN Global Compact

IBL has been a participant in the UN Global Compact since 2017 and is a Founding Member of the Global Compact Local Network (Mauritius). IBL, AfrAsia Bank and The Lux Collective continue to support the Compact's 10 Corporate Sustainability principles in the areas of Human Rights, Labour, Environment and Anti-Corruption.

SUSTAINABILITY

ENVIRONMENT

The environmental pillar of our ESG strategy will focus on how IBL can meaningfully help preserve the natural world and mitigate the impact of climate change. We will aim to integrate environmental criteria (e.g. resource use, carbon emissions) into business decision making across the group, and have already identified renewable energy as a key strategic growth area. Some of the group's other environmental initiatives are set out below.

Seafood

From fish unloading to co-product processing, IBL's Seafood Cluster is vertically integrated. Its ambition is to become Mauritius' first zero-waste industry. In partnership with Green Create, the group has started construction of a waste to value plant that will treat the effluent of the processing and fishmeal plants, converting them into energy in the form of methane and running their boilers with biogas. This will reduce the operations' CO₂ emissions by 12,500 metric tonnes per year. IBL also works closely with other seafood industry players and the Mauritian government to ensure that yellowfin tuna catches are managed to achieve sustainable stock levels.

PhoenixBev

PhoenixBev is creating the Phoenix Earth Initiative, a platform through which it intends to:

- Raise public awareness about issues linked to PhoenixBev's activities
- Support and communicate about non-PhoenixBev initiatives relating to PBL's production activities (in particular its packaging) and their impact
- Support PhoenixBev initiatives regarding responsible production

The aim is to encourage projects relating to climate action, responsible consumption, and environmental education among other issues; explain how it supports its customers in making responsible decisions and reduce visible pollution from primary packaging; and collaborate with NGOs and institutions to reduce packaging pollution through collection schemes and other activities. It also seeks to provide staff training to create a sustainability culture within the company.

The Lux Collective and Lux Island Resorts

In line with its purpose, "We Care About What Matters", The Lux Collective is currently accelerating its journey to achieve net-zero emissions by 2050. It is the only hotel group in Mauritius to set a science-based target in line with the Paris Agreement and the United Nations Global Compact Business Ambition Campaign. Following the implementation of an off-grid photovoltaic plant at Ile des Deux Cocos in 2017 and the world's largest floating photovoltaic plant at LUX* South Ari Atoll (Maldives) in 2018, the group has finalised its applications to the authorities to equip its resorts with photovoltaic plants. This renewable energy project, of a total capacity of 1,226 kVA, is being implemented in collaboration with IBL Energy. It will include ongoing energy efficiency audits to find cost-effective solutions to further reduce emissions.

AfrAsia

AfrAsia Bank has benefited from a €10 million (Rs 470 million) green line of funding as part of the SUNREF Mauritius programme run by the Agence française de développement (AFD). This partnership between AFD and AfrAsia Bank will help fund sustainable projects run by businesses and individuals and build the Mauritian economy's climate resilience.

The SUNREF programme aligns with the AFD's ambitious strategy to address climate change and inequalities. The AFD is committed to contributing to the UN's Sustainable Development Goals (SDGs) and the Paris Agreement; energy and the ecological transition are among their top priorities.

SOCIAL

At the heart of IBL's social commitments are its people: its employees, customers, partners and suppliers. Our human capital approach, set out on page 64, addresses sustainability issues including health and safety, diversity and inclusion, skills development and employee engagement. These issues are increasingly important in today's uncertain and fast-changing operating environment.

As a business whose purpose is to create a brighter, more sustainable future for all, IBL is also deeply committed to sustainably reducing poverty within its community. We are aware that the economic and social disruption caused by COVID-19 is disproportionately affecting the most vulnerable and disadvantaged in Mauritius.

Fondation Joseph Lagesse: IBL's key CSR entity promoting social inclusion

IBL primarily channels Corporate Social Responsibility (CSR) funds through the non-profit organisation Fondation Joseph Lagesse (FJL). FJL's Board of Directors adopted a new strategic plan for 2020-2023 to optimise its resources while continuing to serve its target beneficiaries. The plan groups FJL's activities into three programmes – an Empowerment Programme, a Literacy Programme (to be designed and implemented next year), and a Rapid Response Programme – supported by a Research and Evaluation Unit.

The foundation also aims to position itself as a capacity-building entity that works much more closely with the CSR teams within IBL Operations. FJL aims to help IBL entities develop and deliver their CSR initiatives, creating long-term, positive change in the communities they work in.

FJL's core programmes

EMPOWERMENT PROGRAMME	LITERACY PROGRAMME	RAPID RESPONSE PROGRAMME	RESEARCH AND EVALUATION UNIT
<p>A foundational pillar of FJL's strategy, the Empowerment Programme aims to empower and build capacity within vulnerable communities.</p> <p>Through this programme, FJL also works with IBL Group entities to identify and assess their stakeholders' needs, point them towards partner NGOs or vulnerable communities and encourage them to get involved on the ground.</p>	<p>Promoting literacy is crucial to sustainably reducing poverty. Through this programme, FJL aims to ensure that its beneficiaries (both adults and children) learn to read, write, and count.</p> <p>This programme is currently being defined and will be implemented in 2021-22.</p>	<p>FJL's Rapid Response Programme was defined following events in 2020 – including the COVID-19 pandemic and the sinking of the bulk carrier MV Wakashio – that created significant hardship in Mauritius.</p> <p>The programme allows FJL to respond to emergency situations by providing:</p> <ul style="list-style-type: none"> · Social support · Psychological support · Food security 	<p>Created in 2018, FJL's research unit is a critical part of its new strategy. It allows the foundation to assess the impact of its programmes and better target its initiatives.</p> <p>The unit is currently setting up a data bank. The data will be used to implement evidence-based community support programmes based on international standards.</p>

GOVERNANCE

IBL recognises that good governance and sustainability are intrinsically linked. Sound corporate governance is key to our group's longevity, while business ethics, good corporate behaviour, regulatory compliance and transparency all have a major impact on the trust our investors and other stakeholders place in us. The Board is committed to ensuring that the highest standards of governance are met so that IBL can continue to create sustainable value. Our Corporate Governance Report on page 134 sets out our governance arrangements in greater detail.

HUMAN CAPITAL

ONGOING DELIVERY OF OUR STRATEGY AND A FOCUS ON DIGITALISATION

Throughout the past year, IBL continued to deliver on its human capital strategy. In the long term, our goal is to ensure that we attract and onboard the right skills and capabilities to support the Group's wider strategy and ongoing competitiveness. The main pillars of our strategy are set out below.

IBL's Human Capital strategy



IBL's Human Capital Services, located in the Corporate Centre, continue to provide IBL Operations with the tools and advice they need to deliver their individual human capital strategies. Technology remains a key facilitator, particularly in the context of the COVID-19 pandemic, with remote work becoming the new normal for many IBL Operations. IBL also continues to implement its cloud-based 'People Online Platform' (POP), a fully integrated Human Capital Platform whose first phase provides Operations and team members with access to employee records and payroll. In addition, the Group Talent and Leadership Service has expanded its provision of digital training sessions, notably delivering specific training to the Group's leadership team remotely.

Back to Essentials and Best Practices

This year, IBL pursued its efforts to define a common "Back to Essentials and Best Practices" roadmap in order to harmonise how human capital is dealt with across the group. The roadmap, announced in FY 2020, aims to strengthen IBL's capabilities on fundamental issues such as recruitment, onboarding, training, and remuneration while developing our talent and leadership capabilities. It seeks to address every aspect of the employee lifecycle, from attracting talent to offboarding.

Employee lifecycle



This year, we defined group-wide frameworks for mobility, talent management, safety & health competencies and other human capital processes. The aim is to harmonise the approach to these vital practices across IBL Operations and subsidiaries while enhancing their business capabilities. The challenge going forward will be to implement these practices and processes on the ground.

Next steps

In the coming financial year, IBL will define and implement a new Group Human Capital Governance Framework. This is the next step towards creating standard practices and achieving operational excellence across the Group, while respecting each operation's specificities, giving them the flexibility they need and allowing them to be agile.

We are also extending our succession planning and talent management to the whole Group, including subsidiaries. We will organise a talent review day at a later stage to give us a broad overview of the talents that exist within the Group.

As part of the development of its employer brand and of its "Attract" strategy, a digital recruitment campaign will be organised to invite our future talents to embark on the IBL journey.

Finally, IBL is exploring a potential expansion into Africa and has started to work on an internal capacity-building programme.

PEOPLE ONLINE PLATFORM

The implementation of IBL's POP is being carried out in two phases:

- Phase 1: HR core, payroll, time & attendance and leave management
- Phase 2: performance management, learning, recruiting, onboarding, succession planning and offboarding.

Phase 1 began last year and continued in the current year, with phase 2 due to begin at the end of the 2021 calendar year.

The POP's implementation is managed by a dedicated project team within the IBL Corporate Centre as well as project teams within each Operation. Despite the challenge of COVID-19 distancing and sanitary measures, the POP was successfully rolled out to a first and second wave of companies this year. These included Winners, Bloomage, commercial and healthcare operations, the engineering cluster, energy as well as the corporate centre. Approximately 3,500 employees were onboarded as part of Phase 1. Companies in the Financial Services, Logistics and Seafood Clusters are currently being onboarded and will have access to the HR and payroll module by December 2021.

To ensure the POP's successful implementation, the Group project team ran communication campaigns about the platform alongside awareness-raising sessions and trainings attended by all employees. Key users have been nominated within each IBL Operation to coordinate the implementation and use of the platform at company level. The project team has had to be agile and adapt to each business' individual requirements and operational needs while carefully project managing the POP's implementation. This remains a considerable challenge.

The POP allows IBL Operations to optimise their human capital planning. It has formalised key processes for human capital management across the Group and will enhance the employee experience. Thanks to the use of analytics, we hope to improve our decision-making processes regarding innovative and value-added ideas.

HUMAN CAPITAL

TALENT AND LEADERSHIP DEVELOPMENT

The pandemic has forced us to consider new ways of communicating, developing learning content and delivering courses to our employees. Although IBL's investment in training and development has been deferred due to COVID-19, the Talent and Leadership team has found creative ways to continue to develop the Group's human capital. We have begun to create learning environments using digital platforms and successfully delivered online training on complex topics such as leadership development, with excellent take-up rates among participants.

Throughout the year, we continued to develop our leadership framework and carried out a second Talent Review for all IBL Operations. This exercise was an opportunity to carry out a risk assessment for key talent in business-critical roles. Succession plans were devised for these roles and we defined a number of development plans to build the capabilities of our existing talent.

The Talent Review will subsequently be extended to include all IBL Group companies (e.g. Lux Island Resorts, PhoenixBev, UBP, Alteo, AfrAsia, etc). This will be an excellent opportunity to evaluate the Group's talent pool overall.

In addition, we are defining guidelines for mobility within the Group. The aim is to offer development opportunities to our employees and to assess key roles, especially those in demand post-COVID-19, while developing our employer brand and attractiveness.

Our next objective is to prepare the Group for its expansion outside Mauritius and into African economies in particular. We anticipate that this will be a challenging and exciting journey for both our local talent and our future international talent.

CONTINUING TO PROTECT OUR PEOPLE FROM COVID-19

IBL continues to make every effort to keep its people and wider stakeholders safe.

- **A group-wide vaccination campaign** and awareness-raising about the importance of vaccination, particularly for frontliners. To date, 93% of Corporate Centre staff and 78.5% of team members in IBL Operations have been vaccinated. Sessions about precautions to take and the benefits of vaccination were run by medical professionals and awareness-raising videos were created and communicated to staff.
- **Ongoing Safety & Health protocols to keep teams safe**, including reinforced Safety & Health precautions and communications, social distancing, temperature checks, and the use of masks or face shields and hand sanitiser in offices.
- **Work-from-Home protocols**, building on an existing Flexibility Scheme for the Corporate Centre.
- **Creation of a week on / week off rota system for Corporate Office teams**: each department's teams have been split in two, with each group alternating between working from the office and working from home at different times. This ensures the Group's business continuity should a team member become infected with COVID-19.
- **Access to remote psychological counselling and support** for Corporate Centre team members, as well as other wellness initiatives such as access to a nutritionist to help teams adopt healthier lifestyles.
- **Remote learning opportunities**.
- **A review of risk assessments** was undertaken within different business units, including the Corporate Centre and our commercial activities, using the COSO Enterprise Risk Management Framework, to ensure we are able to take swift action in response to cases of COVID-19 and to any future pandemic.

TECHNOLOGY & TRANSFORMATION

1. DIGITAL READINESS AT IBL

IBL's digital strategy has never been more central to our group's success. The COVID-19 pandemic has normalised working from home, changed our customers' digital habits and expectations, and driven a rise in the adoption of e-commerce models among IBL Operations.

In order to use new technology to create value for our businesses and customers, we need to achieve a consistent level of group-wide digital readiness. This is key to digital projects being successfully implemented, with users embracing new technology solutions while safeguarding our cyber-resilience and security. We also need to embed a "digital-first" mindset among our teams, to ensure that digital transformation is seen as a continuous process, and to constantly update our IT management and governance standards in line with international best practice.

The COVID-19 pandemic has also increased cybersecurity-related risks worldwide, as more and more businesses and clients go online and working from home becomes the norm. IBL continues to focus on assessing and reinforcing cybersecurity controls and organisational preparedness to mitigate the potential impact of cybersecurity incidents. Going forward, we will continue to reinforce cybersecurity measures as the technology landscape evolves in order to protect our business.

A new technology framework

During the year, IBL therefore reviewed certain parts of its digital roadmap and began to implement a new Information Technology Governance Framework. It consists of a set of the best practices and procedures to help IBL businesses optimise the value of IT by effectively using resources and minimising their IT risks. It also aims to ensure that each business undergoes a regular maturity assessment while maintaining or improving the maturity of IT processes and practices critical to its business activities. Through this framework, IBL seeks to harmonise technology management and governance standards across all companies within the Group.

The framework is based on ISACA COBIT 2019, a globally recognised framework for the governance and management of business IT. It is aligned with the recommendations set out in the Mauritius Code of Corporate Governance. Its main pillars are set out below.

IBL'S IT GOVERNANCE FRAMEWORK	
Infrastructure & Operations	Manage IT assets through out their lifecycle, establish and maintain enterprise architecture, respond to user requests and resolve incidents
Project Management	Ensure that IT projects are aligned with business strategy, are appropriate to business needs and executed according to defined processes. Facilitate change management by applying best practice
Security & Risks	Standardise frameworks for cybersecurity governance and management, compliance, business continuity and ensure that IT risks are identified and adequately addressed in line with IBL's Risk Management framework
Application Portfolio Management	Manage the organisation's suite of applications by assessing the value they provide relative to their cost
Finance	Set standards for budget management, budget optimisation and vendor management
Data & Analytics	Harmonise IBL businesses' approach to data architecture, governance and quality, and develop data analytics competences across business functions
Technology Governance & Strategy	Develop a consistent approach to IT governance, strategy and performance management
Resources	Ensure that IBL has the IT human resources to execute an IT strategy that supports the group's wider business strategy

TECHNOLOGY & TRANSFORMATION

Enhanced IT governance

To oversee the framework's implementation, IBL has created a new Information Technology Committee that reports to the IBL Board of Directors' Audit & Risk Committee. In line with the Mauritius Code of Corporate Governance, the IT Committee is responsible for governing the group's information technology and cybersecurity. It also monitors and evaluates IT-related investments and costs and ensures that information assets and IT-related risks are effectively managed.

Assessing existing IT standards and digital competencies

As a first step towards implementing the framework, IBL is carrying out an assessment of the technology governance and management in all IBL Operations. This assessment is due to run until March 2022.

Within IBL's corporate centre, the group's IT and Digital Transformation teams have now been merged into a single Technology & Transformation team. The team will help IBL businesses build their technological capabilities, adopt innovative methodologies, and implement appropriate IT strategies. The focus is on restructuring, upskilling existing staff and recruiting specialist competencies to ensure that the Technology & Transformation team has the right skillsets internally to achieve these goals.

Alongside this, IBL is working to consolidate the competencies within technology teams in IBL Operations and subsidiaries. The aim is to ensure that our IT teams members have the right tools and skillsets to deliver on IBL's digital roadmap, now and in the future.

2. DELIVERING OUR DIGITAL TRANSFORMATION

IBL continues to deliver on its digital transformation while prioritising projects according to current business needs and market conditions. The ongoing COVID-19 pandemic and a second national lockdown in Mauritius delayed several digital projects.

1 Develop new value propositions and extend our offers across digital channels to generate revenue	2 Achieve operational excellence by digitally transforming our processes and our ways of working	3 Disseminate and embed a digital culture to strengthen capabilities and collaboration, and attract talent	4 Increase customer loyalty through an exceptional customer experience
Progress made in 2020-21			
<ul style="list-style-type: none"> Completed all major e-commerce projects initiated during the first COVID-19 lockdown in Mauritius. Shift of focus towards the implementation of core systems in IBL Operations and subsidiaries, in order to launch new customer service and value propositions in the future. 	<ul style="list-style-type: none"> Reviewed, upgraded and optimised existing ERPs and core systems in several business units (Winners, Froid des Mascareignes, DTOS). Deployed payroll and time & attendance modules of IBL's People Online Platform (POP) within Corporate Centre and most IBL Operations. 	<ul style="list-style-type: none"> 30+ managers and C-level executives began a one-year online data literacy programme to enhance their skills, with modules ranging from data and AI fundamentals to the use of advanced data analytics platforms. Change management and employee engagement programmes: technical training as well as awareness-raising sessions whenever a new digital platform is deployed. New technology forums bringing together IBL Operations' CEOs, COOs and technology leads: information-sharing, creation of synergies between businesses, engagement of leadership in the group's digital transformation strategy. 	<ul style="list-style-type: none"> Start to develop personalised customer experience and pursue customer service excellence for wiiv members by leveraging data analytics.

2. DELIVERING OUR DIGITAL TRANSFORMATION (CONTINUED)

1 Develop new value propositions and extend our offers across digital channels to generate revenue	2 Achieve operational excellence by digitally transforming our processes and our ways of working	3 Disseminate and embed a digital culture to strengthen capabilities and collaboration, and attract talent	4 Increase customer loyalty through an exceptional customer experience
Outlook/Objectives for 2021-22			
<ul style="list-style-type: none"> Continuously improve the user experience offered by e-commerce interfaces to reflect changing customer expectations and needs. 	<ul style="list-style-type: none"> Consolidate data governance framework and continue to develop data analytics and business intelligence. Deliver on next phases of core system implementation at Marine Bio Technology Products/Cervonic, DTOS and Eagle among other business units. Complete implementation of payroll and Time & attendance modules across all IBL Operations. Implement next phase of POP in Corporate Centre and Operations: performance management, recruitment and talent management modules. 	<ul style="list-style-type: none"> Includes workshops on digital themes attended by cross-functional teams within Operations. Deploy new digital collaboration and communication platforms. 	<ul style="list-style-type: none"> Continue to develop ecosystem of wiiv partners. Deploy B2C portals and mobile applications in other business units.

WINNER'S

Winner's needed a platform tailored to their core needs as a retail business, from tracking expired products to ordering out of stock items in a timely manner. The business selected "CGI Retail Suite", a solution developed by retail professionals specifically for the industry and used by Europe's largest retailers in thousands of shops and warehouses across 20 countries. The team migrated Winner's 25+ sites onto the system within a year despite the challenges of the COVID-19 pandemic. The benefits have been substantial. CGI provides insight into profitability, cashflow and shrinkage, contributing to marginal gains. It sends automated alerts and notifications about important metrics and delivers an enhanced customer experience by allowing the business to better manage its stock-out rate and product assortments.


FROID DES MASCAREIGNES (FDM)

FDM implemented Oracle Netsuite, a cloud-enabled enterprise management solution, in July 2021. The system's go-live was preceded by a rigorous selection process to find the right platform, implement it with appropriate technology infrastructure and ensure user acceptance. Disciplined project and change management process allowed FDM to go live with the system in 18 months, despite COVID-19-related restrictions.

The system is already improving FDM's productivity, staff engagement and agility vis-à-vis their customers: compliance staff are able to obtain real-time information on their tablets; FDM's operations and its cold rooms have complete visibility over their processes; and customers receive pre-scheduled financial and operational reports.


HOW WE ENGAGE WITH OUR STAKEHOLDERS

STAKEHOLDER GROUP	KEY ISSUES
 <p>IBL TEAM MEMBERS</p>	<ul style="list-style-type: none"> Enhanced safety and health measures in the context of COVID-19 Mental health support and wellbeing at work Job security Opportunities for personal and career development Communication and involvement in decisions regarding the group's activities, strategy and sustainability Fair remuneration, performance management and recognition Ethical labour practices
 <p>CLIENTS AND CUSTOMERS</p>	<ul style="list-style-type: none"> Innovative and high-quality products and services Enhanced safety and health protocols in the context of COVID-19 Excellent client service, including prompt issue resolution Secure, convenient digital offerings that protect client privacy and data and reflect changing customer needs Transparent communication regarding group activities and decisions that affect clients Loyalty rewards Responsible environmental and social practices
 <p>INVESTORS AND SHAREHOLDERS</p>	<ul style="list-style-type: none"> Sustained financial returns Sustainable growth strategy including defined risk management and sustainability approaches Information regarding impact of COVID-19 pandemic on Operations Economic leadership; awareness of international best practice and innovation Sound corporate governance and regulatory compliance Transparent reporting and disclosures; regular access to executive team
 <p>GOVERNMENT, REGULATORY AND INSTITUTIONAL BODIES</p>	<ul style="list-style-type: none"> Contribution to national efforts to fight COVID-19 Constructive engagement on national policy-making Protection of consumer interests (quality, cost of products and services) 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 national tax base

HOW WE ENGAGE	HOW THEY ENABLE IBL TO CREATE VALUE	
<ul style="list-style-type: none"> Ongoing prioritisation of the health and safety of our employees in the context of the COVID-19 pandemic: precautionary measures, remote working, and a vaccination campaign for group staff Wellness activities (including a Wellness Week), medical screenings and staff access to a psychologist from FY 2020 to end FY 2021 Introduction of a leadership framework as part of performance reviews Ongoing promotion of gender diversity and inclusion across the group via the IBL Group Gender Matters charter, guidelines and action plans Continued commitment to providing an excellent employee experience Improved communication with team members, including via <i>together</i>, the IBL Group magazine launched in September 2020, and our People Online Platform 	Our people's skills, experience and productivity allow us to deliver on our strategy	COVID-19 response page 16 Human Capital page 64
<ul style="list-style-type: none"> Precautionary measures taken to safeguard the health and safety of our clients New e-commerce models launched to provide safe and easy access to group services and products during lockdowns New IT governance framework to safeguard client confidentiality and oversee management of cybersecurity risks Sustainability roadmap to be published in FY2022 Continued development of wiiv loyalty programme including via personalised customer experiences Ongoing client communication via IBL's website, social media and press work 	Our clients purchase our products and services and drive our revenue growth	COVID-19 response page 16 Performance page 96 Technology & Transformation page 67 Sustainability page 58
<ul style="list-style-type: none"> Ongoing communication about IBL's performance and activities in light of the challenging context Engagement and dialogue via our Annual General Meeting, analysts' meetings and investor roadshows, press work Consolidation of our risk management processes to identify and manage emerging issues Improved reporting on sustainability and non-financial activities New strategy defined for key growth sectors including renewable energy and healthcare 	Our shareholders and investors are the source of our financial capital	Corporate Governance page 134
<ul style="list-style-type: none"> Engagement and dialogue with national authorities, including via representation in relevant public-private forums and industry bodies Measures taken to protect our employees and customers in the context of the COVID-19 pandemic Contribution to national CSR strategy via IBL's Fondation Joseph Lagesse and CSR entities in Operations IBL Operations have paid for their staff vaccination, contributing to national efforts to achieve 'herd immunity' 	National regulators provide the legal and regulatory framework in which our businesses operate, with cost implications	COVID-19 response page 16 Corporate Governance page 134 Risk Management page 74 Sustainability page 58

HOW WE ENGAGE WITH OUR STAKEHOLDERS

STAKEHOLDER GROUP	KEY ISSUES
 <p>COMMUNITIES, NGOS, VULNERABLE POPULATIONS AND FAMILIES</p>	<ul style="list-style-type: none"> · Short-term support for those most affected by COVID-19 pandemic · Positive, long-term changes to vulnerable communities' livelihoods in IBL's areas of operation · Funding and other types of support (CSR, in-kind support, partnerships) · Transparency and involvement in decisions and initiatives that affect the local community · Ethical business practices including a clearly defined sustainability approach
 <p>SUPPLIERS</p>	<ul style="list-style-type: none"> · Flexible payment terms and moratoriums in the context of COVID-19 · 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

HOW WE ENGAGE	HOW THEY ENABLE IBL TO CREATE VALUE	
<ul style="list-style-type: none"> · Rapid response unit delivered food packages and other to families who had lost their livelihoods due to COVID-19 · Restructure of Fondation Joseph Lagesse (FJL) in response to changes in CSR funding; provision of support to CSR entities across the IBL Group as they define and implement their own CSR strategies · Continued development of FJL's research unit to assess impact, target community needs and more effectively request funding · Ongoing projects to empower and improve outcomes in vulnerable communities, particularly for young people · Sustainability roadmap to be published in FY22 	<p>IBL's long-term sustainability and profitability depend on a healthy society and environment and on the goodwill of the communities in which we work</p>	<p>COVID-19 response page 16 Sustainability page 58</p>
<ul style="list-style-type: none"> · Engagement and dialogue with suppliers to maintain trust and positive relationships · Transparent tendering processes in each group entity · Ongoing corporate communication via website and press work 	<p>Strong relationships with our suppliers allow us to provide better-quality, more sustainable products and services to our customers at lower cost</p>	<p>Performance page 96</p>

RISK MANAGEMENT REPORT

1. COVID-19: THE NEW NORMAL

For over a year, IBL has been navigating an ongoing pandemic situation that is fast becoming the new normal. Our Group has demonstrated great resilience in containing the impact of COVID-19, thanks to a well-balanced business portfolio, stringent mitigation measures and an ability to find solutions and deploy them quickly. This resilience has enabled IBL to stand strong alongside companies that were badly affected by the pandemic. IBL's ongoing COVID-19 response is detailed on page 16 of this integrated report.

Throughout the year, we saw the development and production of various vaccines fundamental to saving lives and businesses while rebuilding the global economy. However, variants of COVID-19 have continued to emerge, with second and third waves of the disease engulfing countries around the world. Our reliance on the effectiveness of current vaccines against these new variants is increasing, and it is globally accepted that mass vaccination and health precautions remain THE solution to fighting the pandemic and recovering sooner rather than later.

Locally, Mauritius is continuing its national vaccination campaign in the hope of achieving "herd immunity" by October 2021, to coincide with the start of the country's peak tourism season and the target month for the full reopening of our borders to international travellers. As an outward-focused economy, the country relies heavily on its economic attractiveness to the global community to survive and prosper.

At IBL, rigorous safety and health campaigns have resulted in over 60% of our team being fully vaccinated as of 30 June 2021.

Despite the pandemic's many adverse effects, the situation has encouraged IBL to develop a culture of preparedness. It has also demonstrated the ability of IBL businesses to 'bounce back'. Both are important components of a risk management culture. In addition, our approach to risk management has evolved. We are now prepared to identify and deal with 'black swan' events, i.e., risks with a very low probability but a catastrophic impact.

An evolving risk universe influenced by the pandemic and other macro-economic factors:

The Group's core activities are based in Mauritius and in the region but its client and supplier base extends across the globe. IBL must therefore continuously monitor the pandemic's local, regional, as well as its global impact. Our risk profile also depends on other macro-economic factors that require careful monitoring. Future challenges and opportunities will depend on the following external factors:

Reopening of borders and trends in incoming travel (leisure and business)	Trends in inflows of principal foreign currencies and FDI	Air and sea accessibility, supply capacity and freight costs
Local currency strength	Unemployment rate	Inflation and consequential price controls
National purchasing power	Increasing poverty and social unrest	Government and Central Bank policies (local and foreign)
National efforts to exit the FATF list of high-risk countries	Relationship between public and private sectors	Mauritius' reputation and attractivity on the global market
Local talents pools	Stakeholders' sustainability expectations	Changes in customer preferences and habits
Digital transformation	Competitiveness of Mauritius as an investment hub	IT and cybersecurity governance
Facilitation of investments in the pharmaceutical industry (including the manufacturing of vaccines)	US-China trade war and policies vis-à-vis the African continent	

2. DELIVERING ON OUR RISK MANAGEMENT ROADMAP

This year, IBL continued to deliver the activities set out in its risk management roadmap, progressing on Step 4 and moving towards Step 5:

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 on 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 Enterprise Risk Management Framework (ERMF) software. Continued deployment of ERMF in other IBL subsidiaries. 	<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 on Step 4 and moving towards Step 5	Progress
Risk awareness	Awareness of risk owners regarding specific risks: Money laundering and terrorism financing/ business continuity	■
	Development and communication of a risk management toolbox for IBL Senior Executives and risk champions to nurture a risk-based approach and link risk management to strategic objectives	■
	Publication of RMC Focus, a departmental newsletter dedicated to risk management and compliance discipline-related topics	■
Risk identification & assessment	Annual risk assessment for IBL Group Top Risks	■
	Identification of risks at IBL's corporate centre and other IBL businesses	■
	Development of risk registers for IBL businesses	■
	Risk assessments performed in additional IBL businesses	■
Risk reporting	Development of a risk maturity assessment tool	■
	Regular reporting to the IBL Audit & Risk Committee (refer to Section 7 below)	■
	One-to-one meetings with chairman of the IBL Audit & Risk Committee	■
Risk monitoring	Reporting to Board of IBL Businesses on advancement of ERM deployment	■
	Development of an Internal Risk Committee to brainstorm on specific risk management matters	■
Control activities	Monitoring of main risks with risk champions at the level of IBL businesses	■
	Development of an IBL legal register to identify potential gaps and monitor compliance with applicable laws	■
	Creation of operational/security policies and procedures	■
	Development of a country risk assessment checklist	■
	Control efficiency walkthroughs conducted where requested	■

Legend: ■ Completed | ■ On track | ■ Upcoming

RISK MANAGEMENT REPORT

3. RISK MANAGEMENT & COMPLIANCE ACTIVITIES DURING THE YEAR

Risk management

Refer to Section 2 above ("Delivering on our risk management roadmap").

Data protection:

- Continued assistance provided to IBL businesses in implementing their data protection compliance programme
- Development of an IBL Group Data Protection Officer (DPO) forum to share experiences, challenges and lessons learnt on data protection matters
- Training provided for IBL Group DPOs on Data Protection
- Celebration of World Privacy Day on the 28 January to raise awareness of the importance of data privacy
- Deployment of additional policies and procedures to reinforce security measures and the protection of personal data

AML/CFT:

- Increased awareness of money laundering and terrorist financing risks among the management teams of IBL businesses
- Appointment of a Compliance Officer, Money Laundering Reporting Officer (MLRO) and Deputy MLRO at IBL's Head Office to promote AML/CFT best practices within the IBL Group

Business continuity:

- Finalisation of IBL's Corporate Centre Business Continuity Plan
- Assistance provided to IBL businesses in compiling/reviewing their Business Continuity Plans

Compliance culture:

- Compliance management policy statement approved by IBL's Audit & Risk Committee
- Implementation of a compliance management framework within IBL businesses
- Creation of a compliance forum with compliance officers
- Support provided to IBL businesses to address compliance gaps and close audit findings

Business ethics:

- Developed an awareness programme regarding the IBL Code of Business Ethics, using videos to explain the code's principles
- Celebrated World Ethics Day with an internal communication campaign confirming IBL's commitment to the fight against corruption and bribery
- Launched an internal SharePoint site for quick access to the Code of Business Ethics, the Anti-Harassment policy and the Anti-Corruption policy
- Assisted an IBL operation with the launch of its Code of Business Ethics and hosted half-day workshops to raise awareness within its team

Special assignments:

- One-off assignments to review governance and regulatory compliance processes in certain IBL businesses

4. OUR RISK MANAGEMENT APPROACH

A tailor-made risk management framework is in place to address the diversified range of business activities within the Group as well as the varying maturity levels of IBL's subsidiaries. We have therefore defined three distinct approaches depending on the risk management maturity of IBL's subsidiaries.

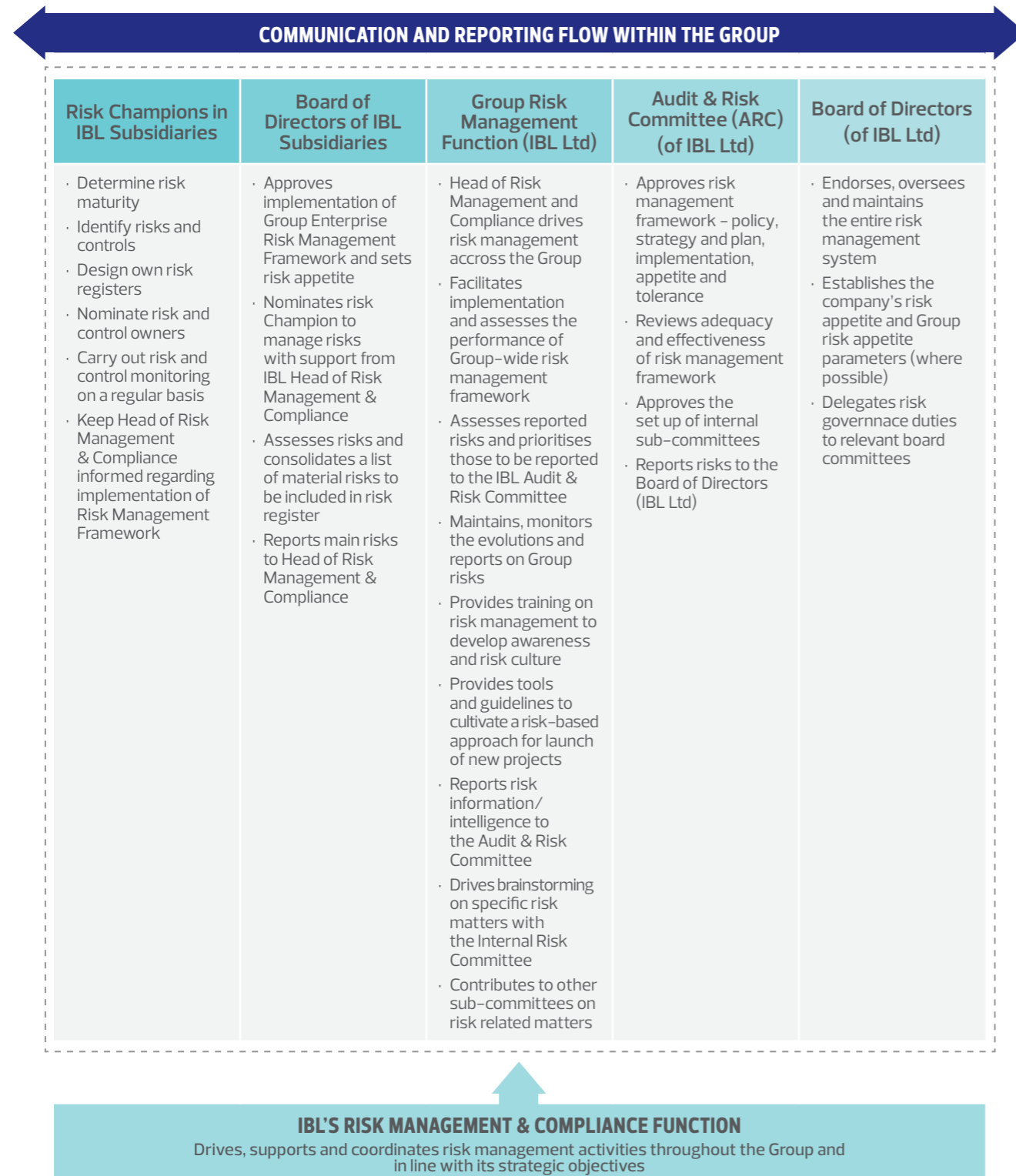
RISK MANAGEMENT MATURITY	RISK MANAGEMENT APPROACH
1. Low Maturity – No risk management function in place and no dedicated risk management resources.	Full risk management support from Group function. Assistance is provided across the risk management process from risk identification to risk reporting.
2. Medium Maturity – Basic risk management structure in place. Risks are identified and discussed, mostly at an operational level, but not systematically reported to the entity's Board or to the Group.	Partial risk management support focused on closing the key gaps in the risk management process.
3. High Maturity – Material entities in their own right, which are either listed or highly regulated. Their risk management framework is well embedded and involves top-down and bottom-up monitoring and reporting of risks.	Limited risk management support from the risk management team of the IBL Group. Focus is on monitoring the completeness of the management of risks and ensuring appropriate risk reporting at group level.

Approach 1 (Low Maturity)	Approach 2 (Medium Maturity)	Approach 3 (High Maturity)
<input checked="" type="checkbox"/> Identification of risks	<input type="checkbox"/> Identification of risks	<input type="checkbox"/> Identification of risks
<input checked="" type="checkbox"/> Identification of existing controls	<input checked="" type="checkbox"/> Identification of existing controls	<input type="checkbox"/> Identification of existing controls
<input checked="" type="checkbox"/> Assessment of risks	<input checked="" type="checkbox"/> Assessment of risks	<input type="checkbox"/> Assessment of risks
<input checked="" type="checkbox"/> Improvement plan	<input checked="" type="checkbox"/> Improvement plan	<input type="checkbox"/> Improvement plan
<input checked="" type="checkbox"/> Monitoring	<input checked="" type="checkbox"/> Monitoring	<input checked="" type="checkbox"/> Monitoring
<input checked="" type="checkbox"/> Reporting	<input checked="" type="checkbox"/> Reporting	<input checked="" type="checkbox"/> Reporting

RISK MANAGEMENT REPORT

5. RISK MANAGEMENT STRUCTURE, ROLES AND RESPONSIBILITIES

The diagramme below illustrates the IBL Group's risk management structure and key responsibilities. This structure ensures that risk management processes are effectively embedded across the Group. Given the complexity of the Group's governance, the risk management structure is flexible and adapts to the different risk maturity and governance levels of IBL subsidiaries. Furthermore, the risk management structure must also adjust to differing regulatory and legal requirements applicable to IBL subsidiaries.



Responsibilities/ Areas of focus	TYPICAL RISK MANAGEMENT (RM) ROLES					
	Board	Audit & Risk Committee	Risk Management Team	Risk Champions	Risk Owners	Control Owners
Risk management approach and process	A	C	R			
Implementation plan	I	A	R			
Risk management policy	I	A	R			
Risk management guidelines	I	A	R			
Risk appetite and tolerance	A	C	R	C		
Risk registers and dashboard	A	I	R	C	C	C
Risk mitigating action plan		I	I	A		
Monitoring of risks	I	I	I	A	R	R
Effectiveness of controls	I	I	I	A	R	R
Report on risks (existing and emerging)	I	I	A	R	C	
Training and awareness	I	I	R			

Legend: **R** Responsible | **A** Accountable | **C** Consulted | **I** Informed

6. RISK MANAGEMENT PERFORMANCE

Risk management performance can be assessed in several ways. One important performance indicator is the internal audit review.

This year, the effectiveness of IBL's Enterprise Risk Management Framework (ERMF) was audited by the internal audit function. An internal audit report was published in March 2021.

- For the purpose of the review, the internal audit function used an assessment tool put in place by the Global Management Accountant (CGMA) body to assess our ERM maturity level.
- The independent assessment showed that we scored 45 out of 75, meaning that our current ERM status is "Basic ERM Practices in Place" (see table below).

DESCRIPTION OF CURRENT STATE OF ERM	RANGE OF TOTAL SCORE
Just getting started	From 1 to 25
Basic ERM practices in place	From 26 to 45
Basic as well as some more sophisticated ERM practices in place	From 46 to 65
Robust ERM in place	From 66 to 75
Current state of ERM	Basic ERM practices in place

RISK MANAGEMENT REPORT

- The internal audit report also contained recommendations for how to improve our ERMF and move up to the next level of maturity. The table below outlines the recommendations made by the internal audit function and our progress towards improving our ERM maturity. Given our progress to date, we expect to reach the next level of ERM maturity during the financial year 2021/22.

THEMES	RECOMMENDATIONS	OUR PROGRESS TOWARDS IMPROVING IBL ERMF	PROGRESS TO DATE
Risk Appetite Framework (RAF)	Management should implement a RAF and integrate it with the Enterprise Risk Management framework (ERMF) already in place. Besides developing a risk appetite statement, the risk appetite process should be strengthened by developing the company's risk profile, risk capacity, risk measures, risk tolerance and risk limits.	IBL's Risk Appetite Statement is being clarified. Refer to Section 7.	■
Risk maturity level assessment process	An Enterprise Risk Management (ERM) risk maturity tool should be developed to assess the risk maturity level of different IBL entities.	Risk maturity tool tailored to IBL entities has been developed. An assessment will be performed during the next financial year.	■
Visibility regarding the existence of risk registers in IBL entities	A process should be developed to assess all relevant IBL entities and determine whether they currently have a risk register to improve the effectiveness of their risk management approach.	We will create a matrix to assess all IBL companies that currently have a risk register. The matrix will be based on results of the risk maturity assessments recommended above.	■
Risk management training	A risk management training plan including awareness-raising sessions and regular refresher training should be developed to cater to all relevant IBL Group stakeholders.	Training on risk management for the IBL Executive Team is being prepared and will be delivered during the next financial year.	■
Risk management performance	Metrics should be associated with risk management performance indicators and should be monitored on a periodic basis. They should then be presented to the Audit & Risk Committee.	A list of performance management indicators will be discussed and agreed with the ARC.	■

Legend: ■ Completed | ■ On track | ■ Upcoming

7. 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 in IBL businesses
- Designing a compliance framework for IBL
- 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

IBL'S COMBINED ASSURANCE ON RISKS		
1 1 ST LINE OF DEFENCE	2 2 ND LINE OF DEFENCE	3 3 RD LINE OF DEFENCE
People management, internal processes and technology	Oversight functions such as risk management, compliance and safety & health	Internal & External Audits

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
21 September 2020	✓
26 November 2020	✓
05 February 2021	✓
05 May 2021	✓

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

- The IBL Group top risks (including strategic, financial, operational and compliance risk);
- Risk trends;
- Compliance updates;
- Risk management activities;
- The setting up of an Internal Risk Committee;
- The efficiency of the risk management framework; and
- Risk management reporting for IBL's integrated report.

In addition, the Head of Risk Management and the Chairman of the Audit & Risk Committee meet once every month regarding Group risk governance and other risk management activity updates.

RISK MANAGEMENT REPORT

IBL's Internal Risk Committee

To strengthen IBL's risk management system, an Internal Risk Committee (IRC) was set up in September 2020.

The role of the IRC is to assist the risk management function in its mission to drive risk management across the Group and support businesses in achieving their performance objectives.

The IRC is composed of the following members of IBL's Executive Team:

NAME	FUNCTION
Jean Claude Béga	Group Head of Financial Services and Business Development / Executive Director
Dipak Chummun	Group CFO
Preetee Jhamna	CFO Group Operations
Thierry Labat	Group Head of Corporate Services
Christine Marot	Group Head of Technology & Sustainability
Olivier Decotter	Head of Risk Management & Compliance (Chairs the committee meetings)

The IRC met twice this year to consider the following matters:

- Approving its terms of reference
- Determining the initial scope of action
- Working towards clarifying IBL Ltd's Risk Appetite Statement

IBL's Information Technology Committee

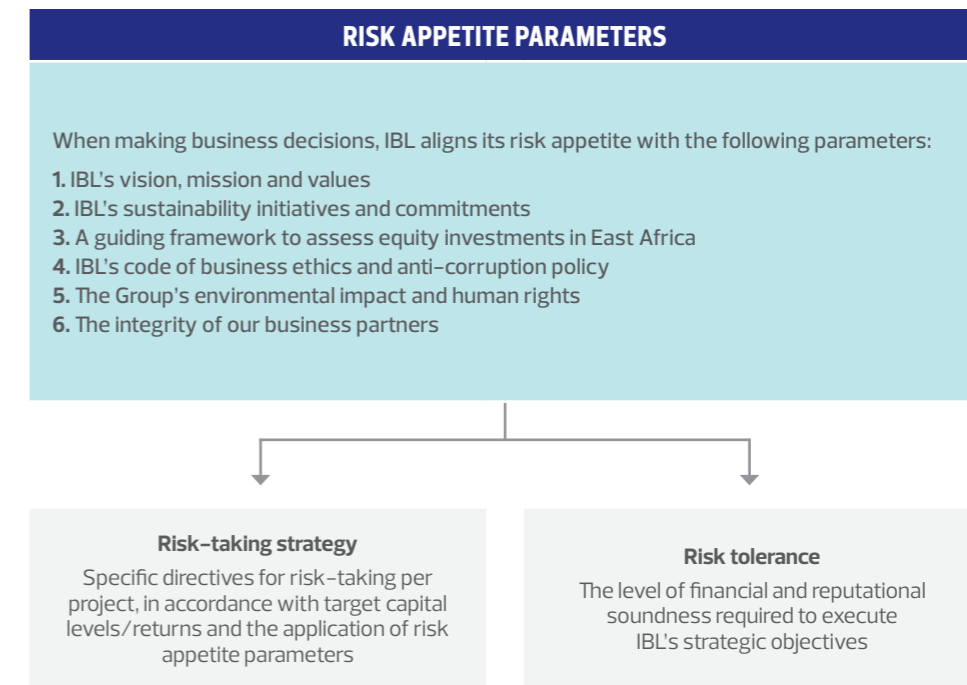
In February 2021, the Audit & Risk Committee approved the creation of a dedicated Information Technology Committee (ITC) to drive the implementation of IBL's Information Technology Governance Framework (ITGF). Its role includes the identification, assessment and management of IT risks in line with IBL's risk management framework.

The chairperson of the ITC reports to the Audit & Risk Committee on the affairs of the ITC.

Detailed information about IBL's ITGF and the composition of the ITC is provided on pages 67 to 68 & 139 to 141 of this integrated report.

7. RISK APPETITE STATEMENT

When making business decisions, IBL frames its risk appetite by taking into consideration the three aspects below: (i) risk appetite parameters; (ii) risk tolerance; and (iii) risk-taking strategy.



Clarifying IBL's risk appetite statement

In line with its objective to constantly improve the company's risk management framework, and with the assistance of the Internal Risk Committee, the risk management function has embarked on a full review of IBL's risk appetite framework to clarify the company's risk appetite statement. The primary objective is to develop a detailed risk appetite statement alongside clear indicators for IBL Ltd as an investment holding business and present them to the Board of Directors for approval during the next financial year. The exercise will serve as a template for IBL businesses to develop their own risk appetite frameworks.

RISK MANAGEMENT REPORT

8. HEAT MAP – IBL TOP RISKS

As in previous years, an annual risk assessment of IBL Group's top risks was undertaken. During a risk rating session, we ranked 44 of IBL's top risks. This year's list includes several new top risks, while other risks have been merged, effectively managed or have left the list altogether.

The 2021 risk rating is closely related to current local and global macroeconomic trends. Three newly rated risks have entered the list (see below). Most of our top risks relate to external factors driven by major events that are generally outside our control.

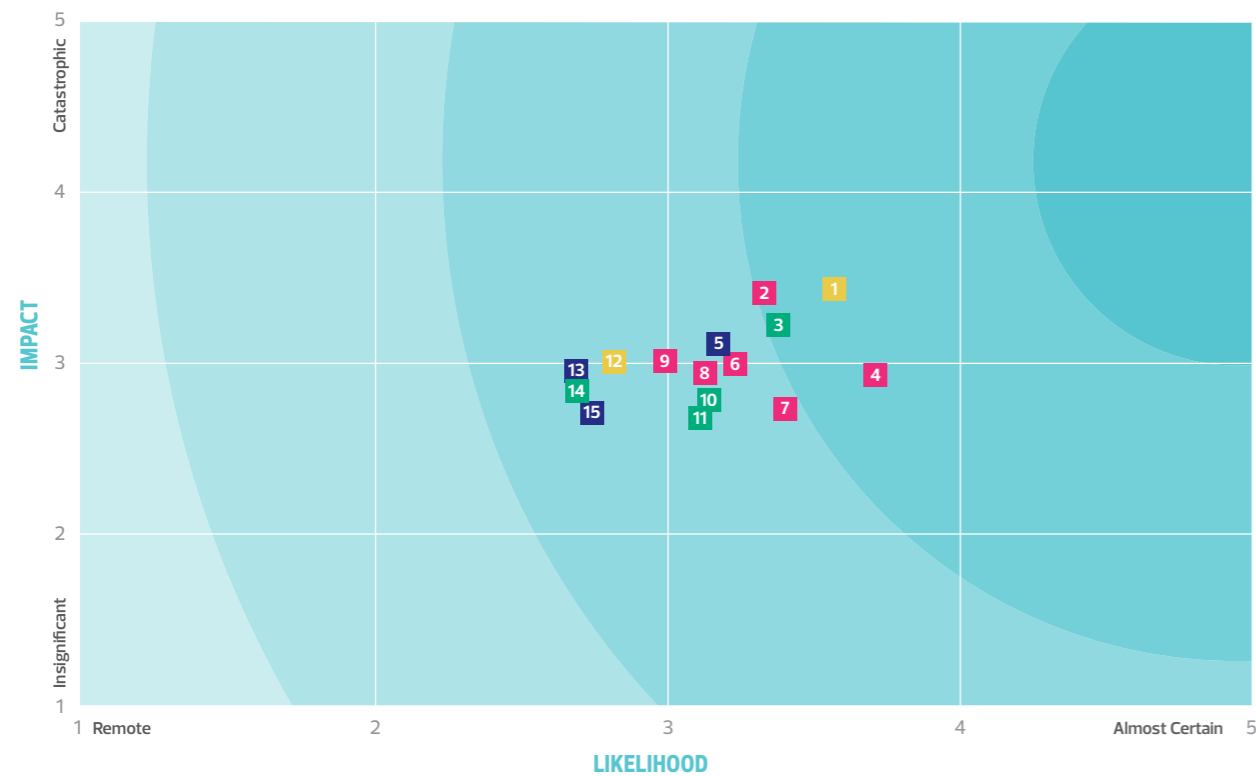
We have considered the potential impact of external factors on our Group and Cluster top risks (refer to pages 86-95).

Factors affecting the risks: External factors are represented in blue and internal factors in white. External factors relate to outside events of conditions. These include threats such as the sudden onset of a political crisis or opportunities such as a change in government policy or new partnerships. These risks may be beyond IBL's immediate control but are recognised and managed as far as possible. In contrast, internal factors relate to the adequacy of IBL's organisational policies, capacities, arrangements, resources and other issues.



Furthermore, some of our top risks have a short-term horizon because they are related to the current context. Other risks have a longer-term outlook.

Finally, nine of our top 15 risks have been rated Medium-High. The remainder fall in the Medium-Low range on a residual basis, as shown on the Heat Map. We have also reported on risk trends using last year's ranking as a baseline.



Legend: Increased (6) | Decreased (4) | Stable (2) | New (3)
Trend (based on last year's ranking)

TOP 15 RISKS 2021 WITH TRENDS VS 2020 RANKING

1	Tourism performance	→	6	Property sales performance	↗	11	Government policies	↘
2	Foreign currency	↗	7	Volatility of commodity price	↗	12	Climate change	→
3	Pandemic	↘	8	Cybersecurity threats	↗	13	Country reputation	New
4	Forex fluctuations	↗	9	Sustainability of tuna stocks	↗	14	FATF watchlist	↘
5	Air connectivity	New	10	Market concentration	↘	15	Supply chain	New

PREVIOUS TOP RISKS THAT ARE NO LONGER AMONG IBL'S TOP 15 RISKS IN 2021






















Industry performance	Decreased	Sugar cluster performance	Decreased	Technology efficiency	Closed
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RISK MANAGEMENT REPORT

GROUP RISKS

The following risks concern the entire IBL Group.

RISK	DESCRIPTION	FACTORS IMPACTING RISKS
2 Foreign currency	Lack of foreign currency on the local market, leading to an inability to pay foreign suppliers and meet contractual agreements, resulting in financial penalties and partial or complete halt of commercial activities.	
3 Pandemic	Threat of ongoing pandemic or its resurgence, leading to sanitary and economic crisis with significant long-term adverse effects on resources, people and businesses.	
4 Forex fluctuations	Adverse fluctuations in the principal currencies and the MUR, impacting revenues from our import/export operations, and potentially negatively affecting the price of products and services and causing a decline in competitiveness.	
5 Air connectivity	The uncertain future of our national carrier and the ability of Mauritius' air connectivity strategy to maintain a sustainable flow of travellers, support the promotion of the destination, and aid in the recovery of impacted business sectors.	



MITIGATING MEASURES	MAIN CAPITALS IMPACTED	LINK TO GROUP-LEVEL STRATEGY
<ul style="list-style-type: none"> Group forex conversion policy. IBL promotes sales of foreign currencies by group forex sellers, ensuring that forex buyers can purchase foreign currencies from the Group Negotiation of extended payment terms with foreign suppliers Strict management of cashflows 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"> 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 are in place and shared across the Group Financial stress-testing carried out and stringent cash flow measures applied Work-from-home scheme in place National vaccination campaign Deployment of vaccination campaign across the group managed at head office for IBL Group operations and some subsidiaries More than 60% of IBL Group team members vaccinated to date Advice and assistance to Safety & Health teams across the Group Regular communication at Group level Team roster procedures in place 	   	  
<ul style="list-style-type: none"> Group Treasury service to assist businesses in assessing and mitigating impact of adverse forex movements Diversification of activities and income sources worldwide 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"> Working with authorities via hotelier associations in countries where we operate Implementation of strategic expansion plan abroad Continued diversification of portfolio 	  	





RISK MANAGEMENT REPORT

RISK	DESCRIPTION	FACTORS IMPACTING RISKS
8 Cybersecurity threats	Increasing attempts at cyber-attacks, potentially leading to major disruptions in critical systems and work infrastructure, loss or theft of critical data, information leakages causing a halt in operations, financial loss and reputational damage.	
10 Market concentration	Over-reliance on the performance of Mauritian business activities.	
11 Government policies	Unfavourable government policy decisions impacting group strategy and performance in Mauritius.	
12 Climate Change	Failure to adapt our activities and take appropriate action regarding climate change events and natural disasters, leading to complete stop of operations, the loss of lives and substantial financial losses and damage to assets.	

MITIGATING MEASURES	MAIN CAPITALS IMPACTED	LINK TO GROUP-LEVEL STRATEGY
<ul style="list-style-type: none"> Creation of IT governance framework (including security governance) for IBL Group IT Committee now in place Cyber/IT security roadmap developed for IBL Ltd Due diligence and security assessments of external vendors/service providers undertaken Outsourced cybersecurity consultants to accompany the Group where required Financial resources deployed to enhance IT security Cyber resilience improvement Awareness of security best practices continuously refreshed and strengthened with remote working capabilities 		
<ul style="list-style-type: none"> Continued implementation of regional and international development strategies to export and develop businesses outside Mauritius Strategic review undertaken in 2021 with the help of external consultants to identify industry sprints for the next 5 years Regional office in Kenya with a dedicated team driving the regional expansion strategy Portfolio and currency diversification 		
<ul style="list-style-type: none"> Geographical diversification of earmarked activities to strengthen resilience and reduce exposure to Mauritian market Engagement with relevant stakeholders to achieve better import control/regulations and support for industry Strengthening of presence in key private sector representative bodies and intensification of representations through them to assist decision and policy making by government Active participation in consultations regarding national industry strategies Focus on higher-margin products and services Adapting businesses to align with national strategies for developing industries Stringent cash flow measures Work with reputable local law firms to understand laws in the countries where we operate 		
<ul style="list-style-type: none"> Sky Sails agreement Photovoltaic solar projects (LUX* Ile des Deux Cocos, LUX* Properties in the Maldives, Alteo) Application being made to local authorities to install photovoltaics on 32 IBL sites Raising awareness of environmental concerns and commitment to SDGs, with a particular focus on climate change and climate actions Creation of Group (environmental) Sustainability Policy and development of group-wide strategy for sustainability and responsible business conduct Cyclone and flash flood procedures in place 		

RISK MANAGEMENT REPORT



RISK	DESCRIPTION	FACTORS IMPACTING RISKS
<p>13 Country reputation</p>	<p>Lack of attractiveness of Mauritius to our traditional markets and global community, impacting key business sectors in which IBL has invested and reducing foreign direct investment and the development of new business relationships and opportunities.</p>	
<p>15 Supply chain</p>	<p>Disruption in the supply chain causing increased lead time for imports and exports and out-of-stock situations, impacting the competitiveness of our businesses and their financial performance.</p>	




MITIGATING MEASURES	MAIN CAPITALS IMPACTED	LINK TO GROUP-LEVEL STRATEGY
<ul style="list-style-type: none"> · IBL and IBL companies are trustworthy and longstanding partners to strong international brands of good repute present in Mauritius · Intensification of government representations to exit FATF grey list and EU/UK blacklists and to recover our credibility as a reputed international financial centre · New protocols and marketing strategy in place to start welcoming tourists as of mid-July 2021 · National vaccination campaign rolled out in January 2021, with aim to achieve herd immunity by October 2021 · Participation in Government-led sustainability initiatives · Implementation of strategic expansion plan abroad · Promotion of R&D, health, energy efficiency industries as new development sectors 		
<ul style="list-style-type: none"> · Increase in "month stockholding" for critical/popular items based on supplier lead time · Change in mode of shipment for certain suppliers and products · Prudential approach to order calculation · Constant monitoring of stock levels and top orders raised as necessary · Close collaboration between supply chain and category teams to efficiently manage potential panic buying situations · More regular reviews of sales forecasts · Development of solid network of supply chain players 		

RISK MANAGEMENT REPORT




CLUSTER RISKS


The following are the top risks for specific IBL clusters.

RISK	DESCRIPTION	FACTORS IMPACTING RISKS
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 and the long term adverse effects of the COVID-19 pandemic on the performance of the hotel industry and related industries.	
6 Property sales performance	Increasing competition from local and foreign residential development projects, putting additional pressure on sales capabilities, cashflow and turnover; accentuated by the border closure in response to the COVID-19 pandemic.	

MITIGATING MEASURES	MAIN CLUSTER/S IMPACTED	MAIN CAPITALS IMPACTED	LINK TO GROUP-LEVEL STRATEGY
<ul style="list-style-type: none"> Continued international expansion (hotel management contracts/ ownership in foreign countries) and opening of LUX* ChongZuo, Guangxi Resorts and Villas in 2021 Foreign properties (Maldives and Reunion) continued to operate during the 2021 financial year Diversification of revenues by billing in various foreign currencies (USD/ EUR/GBP) Opening of LUX* Grand Baie by end of year 2021 Renting of Tamassa Hotel to Mauritian Government for quarantine purposes Hotels opened for / new packages offered to residents (mainly during weekends) prior to second lockdown Phased reopening of borders as from mid-July 2021 and partial resumption of operations Stringent cash flow management measures Redeployment of team members Joint Public-Private working group to formulate recommendations for the reopening of Mauritian borders and relaunching of the tourism sector Support from Mauritius Investment Corporation and other government schemes, including Wage Assistance Scheme Vaccination campaign started in Mauritius in February 2021; signs of accelerating vaccine rollouts around the world including in our target markets COVID-19 safety certifications from trusted service providers such as SGS and Diversey (at LUX* properties) Continued training in COVID-19 sanitary protocols of all team members National Budget 2021/2022: Enhanced measures to energise the tourism sector, promote Mauritius as a destination and reduce costs (reduced quarantine protocols as from 15th July, promotional campaign, the Investment Hotel Scheme, cost reductions) 	<ul style="list-style-type: none"> Hospitality & Services, Commercial & Distribution, Logistics 	  	  
<ul style="list-style-type: none"> Ensuring a robust development screening process for new projects Adoption of competitive pricing strategies 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 Building attractive residences on prime sites to enhance demand Differentiating offer to set ourselves apart from mass market Creating an offering to address demand from local market Stringent cost curtailing initiatives implemented Strengthening of balance sheet by implementing a capital raising plan (Rights and Bond Issues) effective before financial year end 2021 Effective start of the construction of the Azuri golf course in 2021 to generate renewed interest in residential offerings Targeting smart city accreditation by September 2021 to boost future development plans 	<ul style="list-style-type: none"> Property 	  	

RISK MANAGEMENT REPORT

RISK	DESCRIPTION	FACTORS IMPACTING RISKS
<p>7 Volatility of commodity price</p>	<p>Volatility in the price of commodities (including raw materials), impacting margins and performance.</p>	
<p>9 Sustainability of tuna stocks</p>	<p>Depletion of wild tuna stocks, impacting the supply of raw materials to the seafood cluster and indirectly impacting the financial performance of the whole value chain.</p>	
<p>14 FATF watchlist</p>	<p>Inclusion of Mauritius on the FATF watchlist and EU/UK lists of high-risk countries, damaging the country's reputation and attractiveness as a credible financial hub for global investors and impacting the performance of our businesses in the financial services and property development sectors.</p>	

MITIGATING MEASURES	MAIN CLUSTER/S IMPACTED	MAIN CAPITALS 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 Focusing on local production capacities 	<ul style="list-style-type: none"> Building & Engineering, Property, Commercial & Distribution, Agro & Energy, Logistics 	    	  
<ul style="list-style-type: none"> Ongoing lobbying of the Indian Ocean Tuna Commission (IOTC) to pass resolutions enabling the sustainable management of tuna stocks in the Indian Ocean Joint aligned position with Princes regarding sustainability approach Consensus reached by members of the IOTC in June 2021 to extend the management of quotas to all member states. The new resolution includes all vessel types irrespective of their size and fishing areas Increased participation in IOTC Working Groups, Scientific Committee and Commission meetings as part of the Mauritian delegation Creation of a local tuna association currently in progress Partnership agreement with EU for seafood: 0% duty on exports/ quota free Maintain good relationship with MEXA / Ministry of Fisheries and Ministry of Foreign Affairs 	<ul style="list-style-type: none"> Seafood 	    	 
<ul style="list-style-type: none"> Changes to legislation to efficiently enforce national FIAMLA framework (new AML/CFT legislation in 2020 and additional changes to come in Finance Act 2021) Additional businesses subject to AML/CFT legislation Demonstration of efficiency of Risk Based Supervision: Enhanced on-site inspections by Financial Services Commission Government initiatives to address the issue as quickly as possible and report progress at FATF plenary sessions to close remaining gaps Implementation of FATF action plan (monitored by a special ministerial committee under the supervision of the Prime Minister) Implementation of compliance framework within IBL businesses Increased management awareness of ML/TF risk within IBL businesses (non-regulated businesses) Appointment of Compliance Officer, Money Laundering Reporting Officer (MLRO) and Deputy MLRO at IBL's Head Office to promote AML/CFT best practices across the Group (focus on non-regulated operations) FATF's initial determination that Mauritius has substantially completed its Action Plan (June 2021) and upcoming on-site visit by FATF to assess whether Mauritius can exit its grey list in October 2021 	<ul style="list-style-type: none"> Financial Services, Property 	  	 