

STRATEGY

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INTERVIEW WITH THE GROUP CEO

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HOW DO YOU LOOK BACK ON FY2022, ANOTHER YEAR DOMINATED BY THE EFFECTS OF THE PANDEMIC?

At the start of FY2022, I voiced my hope that the worst was behind us and I anticipated things to get back to normal. I am both proud and relieved that this statement has proven to be true for IBL Group, albeit some lingering fragility on the socio-economic front.

For over a year and a half, between March 2020 to October 2021, and straddling three of our financial years, the pandemic brought the tourism industry in Mauritius to its knees. Travel was restricted and borders remained closed as the island attempted to stem a humanitarian crisis. Businesses and households had to – and continue to – endure the challenges of disrupted supply chains, soaring shipping costs, hikes in food, fuel and commodities prices, and reduced spending power. Despite this backdrop, most businesses across the group weathered the storm and emerged operationally and financially stronger. The full reopening of borders in October 2021 brought some much-needed relief to the tourism industry, with positive ripple effects on the rest of the economy and on business confidence.

Besides our Hospitality cluster, which unquestionably benefitted from this environment, we saw our Agro & Energy, Commercial & Distribution and Seafood clusters return to growth. Looking back, I am incredibly proud of the resilience and ingenuity of IBL's team members and businesses alike. It is a fact that the pandemic disrupted our activities to an extent no one could have anticipated. However, every disruption provided the impetus to learn and improve. The crisis called for a judicious and targeted deployment of resources and an innovative mindset to cater to new demands in terms of products, services and channels. We were able to demonstrably achieve both.

The past year was also a year of renewal and historic alignment for the group. We are fully aware that high inflation is causing hardships in Mauritius and weighing heavily on families across the country. The war in Ukraine is amplifying this situation and is particularly detrimental to lower-income households and the most vulnerable segments of the population.

As a group with considerable reach and a large sphere of influence, it became vital for us to respond with bolder ambitions and to rethink our potential together. We set out on a course to re-emphasise sustainability's central place as part of the purposeful legacy IBL wishes to leave behind for future generations.

WHAT WERE THE BIGGEST OPERATIONAL AND COMMERCIAL HIGHLIGHTS OF IBL'S PERFORMANCE DURING THE YEAR?

Much of the credit for the group's much stronger financial performance compared to last year can be ascribed to the Hospitality cluster's remarkable rebound, which recorded operating profits of Rs 1.6 Bn after two loss-making years. And this despite inflationary pressures and travel restrictions in

several markets we either operate in or serve. Our Real Estate and Logistics businesses also improved with the reopening of borders, whilst other businesses such as Afrasia, DTOS and CNOI, which serve many foreign clients, could go back to growing their businesses. As a result, operating profits have increased substantially compared to last year, and for many, profits were higher than before the pandemic.

Beyond delivering strong financial performances, several strategic milestones were achieved:

- In some ways, FY2022 marked a new era in UBP's chapter. It pursued its transformation into a vertically integrated solutions provider for the construction industry by consolidating Premixed Concrete Ltd as a subsidiary. Building on the improved performances of its overseas subsidiaries, UBP signed a Sales and Purchase Agreement in June 2022 to acquire several manufacturing and trading companies from a key player in the industry in Reunion. Once the conditions of the deal have been satisfied in Q3 2023, this acquisition will strengthen UBP's presence in Reunion and ramp up its production capacity in the region.
- With travel surging worldwide due to pent-up demand, the Hospitality cluster came roaring back. New management contracts were signed in the UAE and China, and LUX* Grand Baie, the group's flagship hotel, opened in December 2021 to very favourable response. Our hotels across the world are earning international acclaim and enjoying high occupancy rates due to the ability to constantly raise the bar and meet the expectations of discerning travellers from any part of the world.
- CNOI continues to position itself as a world-class shipbuilding and ship-repair yard. It grew its capacity by over 50% and has already surpassed its own objectives. Additionally, in November 2021, CNOI acquired a 1,500-ton ship-lifting system – the world's largest mobile boat hoist – enabling up to five ships to be dry-docked simultaneously. This increased capacity will enable CNOI to capture new markets for careering and shipbuilding in the years ahead.
- Winners reaped the benefits of its operational efficiency and a sharper focus. It reaffirmed its commitment towards the Planet and People by revealing a new identity and mission – We are all Winners – at the opening of its new outlet at Victoria Urban Terminal. The pilot store, which offers a larger variety of fresh produce and is equipped with energy-saving equipment, will be progressively replicated in all other Winners outlets to reflect its sustainability commitments.
- Among our associates, Alteo delivered a much-improved performance, with revenues up by 46%. Its residential projects were successfully sold out, and serviced land sales also improved at Anahita. With the announcement of its forthcoming Smart City, Anahita Beau Champ, Alteo aims to develop its landbank on the East Coast in an integrated and sustainable way. To further entrench its position as a

INTERVIEW WITH THE GROUP CEO

seasoned property developer, Alteo decided to restructure into two listed companies: Alteo will consolidate its operations in Mauritius, while Miwa Sugar Ltd will focus on developing its East African sugar operations.

SPEAKING OF BEYOND BORDERS, HAS THE GROUP PROGRESSED IN ITS REGIONAL EXPANSION? DOES IBL'S CURRENT STRATEGY STILL SERVE ITS LONG-TERM AMBITIONS?

Seeing our businesses transform and achieve milestones of this scale even through waves of uncertainty, I am confident that the unique expertise and competitive advantages that IBL has developed over the years are built on solid foundations. This is why I am full of optimism for our *Beyond Borders Strategy*, which also gathered steam during the year and will carry the group into the next phase of growth.

Our regional office in Nairobi has a strong team in place to facilitate the development of our network and M&A activities in the region. In June 2022, we reached an agreement to invest in Naivas International, which marks not just one of the major highlights of the year, but also a major milestone in IBL's history. Alongside a consortium of investors, including French and German finance institutions Proparco and DEG respectively, we acquired a combined 40% stake in Kenya's leading supermarket chain in terms of market share and numbers of stores. The acquisition was led to fruition by brilliant M&A, legal and operational teams, making it IBL's highest-value acquisition in terms of figures since our existence.

This investment was considered carefully and we are satisfied that it fulfils our strict investment parameters and objectives. Naivas, which currently has 84 outlets across Kenya, is the fastest-growing supermarket chain in the country thanks to its strong business model and footprint in the mall space. Opportunities for cross-fertilisation are sizable. Our capital, management expertise and governance practices should provide the impetus for Naivas to scale up its network in new cities and regions. For IBL, this is an opportunity to leverage synergies with our logistics, healthcare and renewable energy activities. Much like Winners, Naivas is present in the small towns and villages and is deeply connected to the social DNA of the country, making this acquisition a good strategic fit.

IBL Link is also set to invest in early-stage digital startups in Africa through its new venture capital arm, DotExe Ventures. The fund is still awaiting regulatory approval but is expected to deepen IBL's knowledge of the technological ecosystem and enable us to participate in the extraordinary growth of venture investment in Africa, which stood at US\$ 4 billion in 2022. We recognise that there is a learning curve to this craft, and we are committed to it.

Our healthcare operations progressed with the launch of Life Together as the group's new life sciences and health brand. Its mission is to provide traditional and alternative healthcare, with an approach rooted in human values and being as close as possible to patients. Building on our existing expertise in clinical testing and the distribution of pharmaceuticals, we increased our stake in La Clinique Bon Pasteur and acquired NovaLAB to strengthen our clinical R&D activities. Other projects are

advancing, such as the construction of C+S as part of a Health and Wellness destination on the West Coast and unique home hospitalisation services in the North. The cluster is confident that its strong knowledge base will enable it to capture market share in the Indian Ocean and mainland Africa. Several partnerships are being explored to this end.

Likewise, Renewable Energy is an attractive area of growth. The Seafood cluster's circular business model and Alteo's production of biomass energy are meaningful examples of the expertise IBL has developed in niche areas. To take its ambitions further and tap into highly selective solutions beyond solar power, IBL Energy confirmed the addition of new members to its Board. Energie des Mascareignes, a biogas plant launched in December 2021, will further close the loop on waste emanating from Princes Tuna sites, bringing it closer to its vision to become carbon neutral by 2030. Another project set to revolutionise energy production is the deployment of the world's first airborne wind system on the East Coast of Mauritius, which has the potential to significantly reduce the dependence of fossil fuels in the Indian Ocean.

Once again, I would like to emphasise the importance of having the right talents and expertise as we forge ahead in our regional expansion. With this in mind, I am pleased to announce two new important additions to IBL's Board of Directors: Georges Desvaux and William Egbe, who hail from France and Cameroon respectively. They are recognised global leaders with a wealth of experience in Africa, who will both contribute unique perspectives to our growth plans on the continent.

Alongside this, our Human Capital strategy continued to evolve to support our overarching objectives and regional ambitions. Continuous training, talent management and leadership development through the IBL Performance Academy will be critical in ensuring that our workforce is equipped with the skills, capabilities and growth mindset to succeed both in Mauritius and abroad, and that we nurture a strong pipeline of top-tier leaders to steer the implementation of our strategies. It is worth mentioning that over 209 employees across the group expressed an interest to relocate to East Africa in pursuit of their professional and personal ambitions. Pages 84–88 lay out how IBL's Human Capital function intends to play an instrumental role in facilitating the expatriation of our team members to East Africa.

ON A PERSONAL LEVEL, WHAT IS YOUR BIGGEST TAKEAWAY FROM THE PAST TWO YEARS?

As I look back at IBL's 190-year history, I am struck by how far the group has evolved. I have been fortunate to be part of several historic moments, from when it was still GML, to the amalgamation process, to the nine-cluster strong conglomerate we are today. Yet, the past two years have without a doubt been one of the most difficult, as well as ground-breaking moments in our history. Our innate entrepreneurial and innovative spirit, which was passed on to us by our visionary founders, carried us through the crisis and fuelled transformation at an unprecedented speed and scale. This was apparent in the number and quality of projects that got off the ground, in the increased synergies between entities and clusters, and in the high service levels our businesses were able to maintain.

Innovation continues to be given its rightful importance through numerous workshops conducted at all levels of the group, and through the annual *IBL Excellence & Innovation Award*, which aims to bring out the creativity of our people and reward out-of-the-box thinkers and entrepreneurs. This also applies to how we think about sustainability.

WHAT CAN YOU TELL US ABOUT THE ROLE OF SUSTAINABILITY WITHIN IBL? HOW IS THE GROUP ADDRESSING GROWING ENVIRONMENTAL, GOVERNANCE AND SOCIAL (ESG) CONCERNS?

There has never been a more vital time for businesses to embrace sustainability as a core tenet of their strategy. The pandemic marked new beginnings for IBL in this respect. We took a long and hard look at our sustainability projects and methods — and there are many we are proud of. However, with environmental and social challenges growing ever more urgent, we became aware that the most important undertaking for us at IBL is to leave behind a positive and lasting legacy. Inspired by the recent advances made collectively to brave the pandemic, there is no doubt in my mind that our collaborative spirit can set us apart in building inclusive societies.

The first step was for us to perform a diagnostic of where we are and what has been done across all of our businesses and clusters, and gain an understanding of where we fell short. We began with discussions and workshops with IBL's leadership and senior management teams to identify how to catalyse environmental and social change within their respective businesses, while also expanding economic opportunities.

We then engaged with the *Embedding* project to adopt a methodology that will enable us to develop a roadmap unique to our group, to our core competencies and to our operating environment. It is a scientific and evidence-based approach that will help us understand the depth of our impacts and our social and environmental limits, and accordingly, offer a contextual plan of action, as well as tangible evidence of progress. Each cluster will build an industry-specific roadmap using what we call the Prioritisation Radar, and sustainability champions have been appointed to serve as strong voices to bring our vision to life.

During the *Fresque du Climat* awareness sessions, which took place between November 2021 and May 2022, I announced the first group-level pilot project: Sustainable Mobility. As an employer of over 24,000 people, we consider it our duty to be changemakers, and decarbonising our logistics and the commute of our workforce is one area where we can make a measurable contribution to climate action. We expect to launch the project at the end of 2022, after gathering sufficient data and information to make electric mobility a success.

A similar approach is being adopted by *Fondation Joseph Lagesse* (FJL) through its Research & Evaluation unit, whose aim is to measure, monitor and improve our social impact through data. FJL, which celebrated 15 years of existence in 2021, has served as a valuable partner for several communities in Mauritius. Its areas of focus have been refined to address the most critical issues of our lifetime through literacy, capacity-building and philanthropic programmes.

The transformation of Bois Marchand and Chemin Rail is a powerful testimony to FJL's decade-long commitment to reducing poverty sustainably.

We have a long way to go, but I am confident that together, we are moving towards more purposeful and meaningful actions.

DO YOU HAVE A CLOSING MESSAGE FOR IBL'S STAKEHOLDERS?

IBL is entering a new year on a very strong footing, with even more positive prospects on the horizon. The deal concluded with Naivas International is a strong statement of both our willingness and ability to establish a presence in Africa. Our growth plan is to pursue our *Beyond Borders Strategy* across key regions in East Africa as well as neighbouring islands when attractive opportunities arise.

Concurrently, we are keeping a watchful eye on the unfolding war in Ukraine, inflation, benchmark interest rate hikes and shifting market trends, which could present hurdles or additional challenges.

I am grateful to the Board of Directors, under the chairmanship of Jan Boullé, for its guidance and support throughout this year. I would like to express a special note of gratitude to Pierre Guénant, who sadly passed away in September 2022. He was an accomplished entrepreneur who made outstanding contributions to IBL over the course of seven years, as Chair of the Strategic Committee and an inspiring mentor to me. His departure will be deeply felt, and our heartfelt condolences go out to his family.

I would also like to welcome our new Board members, George Desvaux and William Egbe, who will bring solid experience and proven track records in their respective fields. To our strategic partners, thank you for your trust and confidence in us.

I would like to congratulate our employees for valiantly confronting the pandemic and for demonstrating that we are more than capable of rising to the challenges. I feel immensely proud to be leading a group of talented and hard-working people. IBL is committed to investing in all of you and helping you bring out your full potential.

My final message would be that together, we have endured some of the most difficult years in our lifetime. And we have come out stronger. I look forward to another year of striving for excellence together, at every level, in everything that we do, and to continue writing new chapters in our story where we continue creating sustainable value and prosperity.





ARNAUD LAGESSE
Group Chief Executive Officer


OUR OPERATING ENVIRONMENT


2021 was a year of two halves for Mauritius. Despite seeing encouraging signs of rebound mid-year, economic growth was uneven across sectors as travel and sanitary restrictions were still in place. Most businesses and households continued to feel the adverse impacts of the pandemic. In October 2021, however, the long-awaited full reopening of borders accelerated the return to positive economic growth. Although IBL Group registered positive financial results, the operational performance of some of its businesses reflect this mitigated operating context.

MAJOR MACROECONOMIC TRENDS
Economic and social fallout from the pandemic (for most of 2021) Short-term
<p>Globally, the pace of recovery was uneven across countries and sectors, with emerging markets and developing countries experiencing a more pronounced downturn and taking longer to bounce back. Among IBL's key markets, Asia (China and Singapore), the Indian Ocean islands and certain countries in Africa and Europe continued to face pandemic-related challenges.</p> <p>Locally, the closure of borders, ongoing sanitary restrictions and other Covid-induced challenges had widespread effects on the economy. The tourism industry, a vital source of foreign currency and generator of employment, remained at a near-standstill until October, with spillover effects on the entire economy: transport, accommodation, wholesale and retail and leisure activities, amongst many others. Construction, manufacturing and financial services were also temporarily put on hold.</p> <p>As an open economy, the island continued to face dramatic supply shocks: bottlenecks have given rise to massive product delays, and therefore, product shortages; maritime freight costs reached historical highs (roughly fivefold); and in March 2022, the Mauritian exchange rate dropped to its lowest position since 2004. The cost of raw materials, food, fuel and commodities is sharply increasing production costs, driving businesses to increase their prices to mitigate the impact on profit margins, and in turn, affecting the purchasing power of Mauritians.</p> <p>On another note, the global crisis unleashed by the pandemic has brought health and wellness into sharper focus, positively impacting Healthcare and Insurance activities.</p>
Post-pandemic recovery in the Mauritian economy driven by reopening of borders Short to medium term
<p>The start of the economic rebound in Mauritius was driven by the full reopening of national borders in October 2021 and subsequent upsurge in tourist arrivals. Real GDP is estimated to have expanded by 4% in 2021 (according to Statistics Mauritius) as most sectors of the economy returned to usual levels of activity, some even exceeding pre-pandemic levels (the manufacturing and construction sectors grew by 10.2% and 25% respectively). Despite certain source markets being closed, tourist arrivals are extremely encouraging. Between January and June 2022, tourist arrivals stood at 376,566 against 3,225 for the same period in 2021.</p> <p>Following improvements made to its AML/CTF framework, Mauritius exited the FATF's list of countries under increased monitoring in October 2021, boosting investor confidence in Mauritius as a leading jurisdiction for cross-border investments.</p> <p>In addition, measures announced in the budget are expected to boost investment. For instance, the introduction of property schemes enabling foreigners to acquire property in partnership, under a shared ownership policy, is expected to attract major investments in real estate and boost the sector.</p> <p>At the time of writing, despite improving prospects for the tourism sector, the outlook remains uncertain after 2022 due to a shaky environment in our feeder markets. Rising energy and food prices, described in more detail below, are likely to adversely affect inter alia the island's growth rate.</p>






























IBL'S RESPONSE	LINK TO MAIN RISKS
<ul style="list-style-type: none">· The group pursued its diversification into new growth sectors (Renewable Energy, Healthcare, Commercial & Distribution) and new geographies (East Africa and Reunion Island).· Continued strict cost management and balance sheet management.· Implemented group forex conversion policy and hedging strategies.· Accelerated digitalisation for operational efficiency and cost savings.· The Hospitality segment benefitted from its diversified portfolio. Maldives, one of its key markets, was operational during the entire financial year, offsetting the challenges faced in South Africa, Reunion Island and China.· More rigorous stock management to counter the shortage of stocks or overstocking.· Restructured certain entities to enhance their resilience: Alteo Group was separated into two distinct entities, and Confido (reinsurance broking activities) was consolidated as a subsidiary.· Renovated LUX* le Morne and placed heavy emphasis on employee training and service excellence to prepare for the reopening of borders. <p> CFO's report page 128 Interview with the CEO page 54</p>	<div>12451314</div>
<ul style="list-style-type: none">· IBL's "Low to Medium Impact" businesses began recovering as early as June 2021, generating very promising operating profits. "Medium to High Impact" (Hospitality, Property and Aviation) businesses, for their part, began their recovery in the first quarter of FY2022.· The Hospitality segment was fully prepared for the reopening of borders, having strengthened the hotels' value propositions to cater to the post-Covid luxury traveller.· Participated in discussions with industry peers to enhance the attractiveness of Mauritius as a destination and ensure the resilience of the sector.· Diversification of revenue sources by tapping into new markets (CNOI, DTOS, Alteo) or geographies (UBP, Ellegeo Re, TLC, Intergraph) or through product innovation (BlueLife, FDM, IBL Energy, PBL). <p> Performance report page 128</p>	<div>2411121314</div>

OUR OPERATING ENVIRONMENT

MAJOR MACROECONOMIC TRENDS
<p>Inflation Medium-term</p> <p>Major trends</p> <p>Headline inflation for the twelve months ending June 2022 stood at 8.0%, compared to 2.2% for the twelve months ending June 2021. While inflation was already on the rise as a result of the pandemic, mainly due to soaring freight costs and increased commodity prices, several other factors compounded the situation. The depreciation of the Mauritian Rupee, high interest rates and the war in Ukraine have intensified inflationary pressures and driven up the cost of energy and commodities. On the demand side, a potential reduced spending power might prompt consumers to prioritise spending on essentials.</p> <p>Looking ahead, annual inflation is expected to rise to 11.4% in 2022 (according to the International Monetary Fund¹). As an open economy and a net food importer, Mauritius is expecting demand to remain low due to a fear of loss of income and food insecurity.</p> <p> ¹ https://www.imf.org/-/media/Files/Publications/CR/2022/English/1MUSEA2022001.ashx</p>
<p>Sectors of the future shaping the post-Covid world Medium to long term</p> <p>ESG megatrends have altered the way markets function, pushing businesses to rethink their approach towards sustainability. ESG practices were already gaining momentum before the pandemic and are now being accelerated such that they are presenting unprecedented opportunities and shaping our future.</p> <p>On the Environmental front, the effects of climate change are more glaring than ever. In Mauritius, there has been a demonstrated increase in extreme weather events, with heavy rainfalls increasing the risk of flash floods. Climate change is also likely to worsen the already dwindling fish stocks in the Indian Ocean. The pandemic has accelerated efforts to address these challenges, with a push towards local food production and consumption, as well as clean energies. Several frameworks/policies have been announced in this respect (Renewable Energy Roadmap 2030, Green Transformation Package).</p> <p>Socially, the pandemic and rising inflation are both exacerbating the plight of vulnerable populations, pushing them further into poverty. Food insecurity is a major cause for concern. Additionally, the lack of employment opportunities and inactivity during a prolonged period are taking a toll on the psychological wellbeing of all people.</p> <p>Governance has increased in strategic importance, particularly as the group expands its activities beyond borders. In parallel, increased digitalisation is bringing heightened risks, requiring enhanced data protection and cybersecurity controls. In July 2022, Moody's downgraded Mauritius's long-term foreign and local currency issuer ratings to Baa3 from Baa2, following its assessment that the quality and effectiveness of institutions and policy making has weakened.</p>

IBL'S RESPONSE	LINK TO MAIN RISKS
<ul style="list-style-type: none">· Mitigation plan outlined at group level to include price adjustments.· Prioritisation of local production, as far as possible.· Winners and BrandActiv/HealthActiv and PBL are making available a wider range of more affordable products to Mauritian consumers.· Pursued digitalisation to drive down costs and enhance operational efficiency (Logidis, Winners).· Continuous monitoring of the macroeconomic context to proactively mitigate adverse impacts on our businesses and growth strategies.	<div>123</div> <div>589</div> <div>1315</div>
<ul style="list-style-type: none">· Climate change has been added in the group's Top 15 risks. Disaster recovery plans have been set up within certain BUs and remote working practices enable employees to continue working without interruption in the event of flash floods.· The group embarked on an embedded Sustainability journey, which defines sector-specific and context-specific ESG considerations within individual BUs, as well as at the cluster level. In 2022, the Logistics cluster and certain individual entities defined a sustainability roadmap and initiated relevant projects.· Acceleration of strategies in Renewable Energy and Healthcare despite the challenging context. IBL is committed to developing these sectors, which have the potential to increase community resilience and drive sustainable development.· Our hotels are already very advanced on their sustainability journey (LUX* and SALT) and are expecting to see increased demand due to their relevant and compelling value proposition.· Introduced an innovative airborne wind energy system (IBL Energy).· The Seafood cluster is progressively closing the loop on its waste-to-value chain, having set up a new biogas plant. As a strong advocate for the sustainability of tuna stocks in the Indian Ocean, it set up the Sustainable Tuna Association in November 2021.· Development of a cybersecurity strategy for the group.· FJL sharpened its focus on areas that will have the most positive social impact. <p> Performance report page 128 Sustainability report page 66 CSR report page 78</p>	<div>679</div> <div>1013</div>

BUSINESS MODEL

Inputs	How we create value		Outcomes and value created	Stakeholders
<div>Human Capital</div> <div>An inclusive and diverse workforce made up of 24,815 team members across our Corporate Centre and clusters, and their individual and collective knowledge and skills.</div> <div> Human Capital report page 84</div>	<div>Our guiding principles</div> <div><div><div><div><h3>Our vision</h3><p>Creating a brighter future for all.</p></div><div><h3>Our mission</h3><p>As a responsible corporate citizen, we enhance the talents of our people and inspire them to better serve our stakeholders in a trusting, transparent and efficient way.</p></div></div><div><div><h3>Our values</h3><ul style="list-style-type: none">· People 1st· Passion· Integrity· Excellence· Responsibility· Creativity</div></div></div></div>		<div>Human Capital</div> <div>Employment creation and retention, the ongoing development of employees equipping them with employable and transferable skills, enhanced wellbeing.</div> <div>Total training expenditure: Rs 22,855,869 (IBL Ops) Rs 2.9Bn paid in salaries and benefits</div>	<div>Our team members</div>
<div>Social & Relationship Capital</div> <div>Quality and mutually beneficial relationships with our stakeholders, based on trust, transparency and ethics.</div> <div> Stakeholder Engagement page 96</div>			<div>Social & Relationship Capital</div> <div>Long-term relationships with stakeholders, including a loyal customer base, and socioeconomic development helping to nurture autonomous and empowered communities.</div> <div>194,717 loyal customers in our Wiiv community</div>	<div>Clients and customers</div>
<div>Natural Capital</div> <div>The natural resources (energy, water, land) we rely on to carry out our business activities and convert into value-adding products and services.</div> <div> Sustainability Report page 66</div>	<div>Our areas of expertise</div> <div><div><div></div><div><div><div>■ Agro & Energy</div><div>■ Building & Engineering</div><div>■ Commercial & Distribution</div><div>■ Financial Services</div><div>■ Hospitality & Services</div><div>■ Life & Technology</div></div><div><div>■ Logistics</div><div>■ Seafood</div><div>■ Property</div><div>■ CSR</div></div></div></div></div>		<div>Natural Capital</div> <div>The promotion of sustainable development through targeted strategies and enhanced environmental stewardship of resources to support their availability in the future.</div> <div>33 sustainability champions</div>	<div>Communities, NGOs, vulnerable populations and families</div>
<div>Financial Capital</div> <div>Our strong capital base and diversified sources of funding to sustain our operations and ensure future growth.</div>			<div>Financial Capital</div> <div>Strong balance sheet, returns to shareholders and sustainable financial growth.</div> <div>Market capitalisation: Rs 35.4 Turnover: Rs 45 Bn</div>	<div>Investors and shareholders</div>
<div>Intellectual Capital</div> <div>The intangible assets (our brands, reputation, expertise, innovation capacity and IBL Together culture) that give us a competitive advantage and drive sustainable growth.</div>	<div>Value drivers</div> <div><div><div><div><div>A long-term strategic plan grounded in 3 pillars:</div><div><div> Mauritian heart</div><div> Regional footprint</div><div> International expertise</div></div><div><div>Three growth enablers that support all clusters:</div><div><div> Human Capital</div><div> Technology & Transformation</div><div> Sustainability</div></div></div><div><div>Governance and oversight</div><div>Risk Management</div><div>Corporate Centre servicing all 9 clusters</div></div></div></div></div></div>		<div>Intellectual Capital</div> <div>World-class expertise,market-leading and internationally recognised brands, and product reliability.</div> <div>13 international awards won</div>	<div>Government, regulatory and institutional bodies</div>
<div>Manufactured Capital</div> <div>Our fixed assets, such as property and equipment, digital assets, vehicle fleets and infrastructure that are conform with regulations and world-class standards.</div>	<div> A more detailed overview of our strategy on page 64</div>		<div>Manufactured Capital</div> <div>Local, regional and international production capacity, well-established retail networks and growing number of digital clients/sales.</div> <div>100,000 m² of gross letting area</div>	<div>Suppliers</div>

STRATEGY

IBL'S STRATEGY

The group's long-term strategy anticipates and responds to shifting market trends and risks, and evolves as new opportunities emerge. During the year, the 'Retail' sector became a new area of focus for the group, alongside the three 'sprints' identified during the previous year. It is this agility and adaptability that allows us to create sustainable, long-term value for all our stakeholders, and that resulted in the group's biggest acquisition in its history, as described in the case study.



CASE IN POINT: NAIVAS

Context

Driven by its strong entrepreneurial DNA, IBL Group has, over the years, made strategic investments to grow its business and expand its footprint across Mauritius and beyond. Our ability to anticipate and respond to market trends has resulted in a well-diversified investment portfolio with world-class expertise in nine industries across 18 countries. In 2018, we set up our East African Regional Office in Nairobi, aiming to provide business development and investment advisory services to the group. The regional office has been instrumental in helping us gain a solid on-the-ground understanding of the operating environment and develop our network in the region. After conducting extensive market research, the group identified six key sectors for regional expansion — logistics, healthcare, renewable energy, retail & distribution, industrial property, and financial services — through a strategy it revealed in 2021: *IBL Beyond Borders*.

Our approach

Any international expansion presents challenges and barriers to entry: different time zones, cultural differences, political or social instability, regulatory clearance before operating, a lack of manpower on the ground, having to cater to an unfamiliar audience, amongst many others. This is why IBL considers the following criteria in evaluating potential investment opportunities:

- any investment must be anchored in IBL's areas of expertise;
- it must satisfy IBL's investment objectives and risk vs returns guidelines;
- any strategic partner's core values must be aligned with those of IBL's to be considered a good long-term fit.






Spearheaded by its office in Nairobi and supported by the group M&A and HC teams, IBL carried out a strategic exercise to understand the specificities of the East African market. The data and insights collected enabled us to form an understanding of the habits and preferences of Kenyan consumers, the ease of doing business in the country, the available pool of talent and the competitive landscape.

Naivas Limited, one of the leading retailers in Kenya, stood out as an obvious choice for several reasons. A family-owned business, Naivas' success story is rooted in being within everyone's reach. Before growing into the major modern retail and distribution business it is today, Naivas served small towns across Kenya, aiming to bring a wide range of affordable grocery and general merchandise products to the masses. Of its 84 outlets (as of June 2022) which operate in different formats (hypermarkets, supermarkets or express stores), 46 are located in the greater Nairobi area. It also has an online shopping platform and a loyalty programme with a sizeable customer base. In 2021, it launched a training centre to transform its talents into business leaders.

Similarly, IBL's retail business, Winners, prides itself on its proximity to its customers. Much like Naivas, it started its operations in small towns and villages across Mauritius to have a meaningful impact on people's lives. Today, it is the leading supermarket in the country and a flagship of the Mauritian economy.

IBL's partnership with Naivas marks a major step for the group in its expansion in East Africa, and is the largest transaction in the group's history since our inception in 1830. With proven expertise in the retail sector, we believe IBL has the vision and resourcefulness to accompany and support Naivas into its next phase of growth.

Company overview

 Leading operator of a chain of modern supermarkets serving customers across Kenya	 60% Gakiwawa Family Investment (Mukuha family) 40% Mambo Retail Ltd (IBL, Proparco & DEG)	 Headquartered in Nairobi	 84 outlets in 20 cities (as at June 2022)	 8,000 employees (as at June 2022)
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SUSTAINABILITY

1. SUSTAINABILITY AWARENESS

2020 was a pivotal moment for sustainable development across the world and within IBL Group. The pandemic eroded much of the environmental and social progress made over the past few decades, plunging millions into extreme poverty. In Mauritius, inflation and food insecurity are growing threats, and the increase in the frequency and intensity of extreme weather events (torrential rains and flash floods) is a stark reminder of our vulnerability as an island.

All of this has called for more ambitious reforms in policies, frameworks and business models, and new ways of doing things. Although sustainability has been a key strategic pillar at IBL since 2018, its implementation, in practice, remained complex and was not delivering the intended impact:

- there was a general lack of clarity and understanding of what sustainability means across the group;
- it failed to take into account the complexities of being a large and diverse group operating in several industries. Different BUs are at various stages of maturity in terms of sustainability — some still at an embryonic stage, and others further along on the journey — making an overarching ESG strategy difficult to implement uniformly;
- sustainability programmes and projects were being carried out in silos, without aligning with the group's broader vision.

We became cognisant of the need for a roadmap with clearly defined priorities at the group level, while also granting different clusters and BUs the freedom to prioritise the issues that are relevant to their own industries and business objectives.

In 2021, IBL made the bold decision to go back to basics and enhance our sustainability awareness: we fundamentally reviewed our methods and ways of working, abandoning the ones that no longer serve us, and taking the time to consult our key stakeholders to broaden our perspectives.

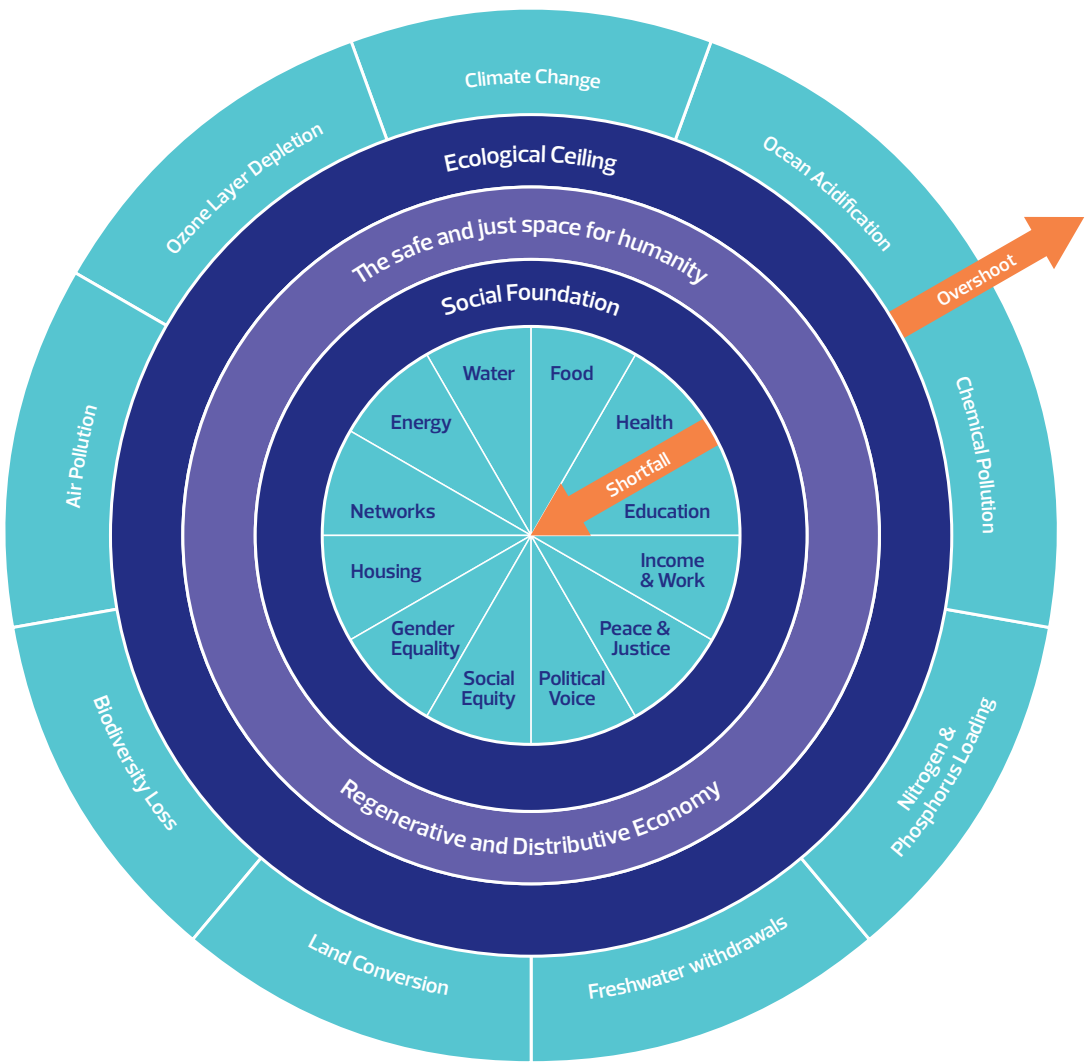
A contextual approach

Our sustainability awareness must be grounded in the ecosystems and social systems in which we operate. For this, we need a contextual approach that takes into account the realities on the ground: the trends, risks and opportunities in our operating context, the social and environmental impacts of our operations, and the resources and capabilities that are available to us. Only then can we build a coherent roadmap that not only aligns with our ambitions, but that also ensures we are operating within the boundaries of our available resources, and balancing economic growth with social and environmental development.

During the year, we continued carrying out research and collecting information in the search for more clarity on the link between our businesses and their impact on our operating ecosystems. The current landscape of ESG frameworks is extremely complex, as illustrated below. With so many international and local guidelines to choose from, and a diverse range of stakeholder interests to address, it is easy lose sight of the bigger picture. IBL has therefore endeavoured to take the time to do things properly so our journey can be more meaningful and impactful. This is why we have not set specific timelines at this stage.

The science	The Doughnut Economics model, coined by Kate Raworth, is a key framework for understanding the sustainability context. It postulates that humanity can only thrive if everyone has access to life's essentials (food, water, healthcare, literacy, etc), without exhausting the natural resources that are available to us, and on which our survival depends. The Doughnut model for Mauritius reveals a snapshot of where the island stands in this respect.
The sustainability frameworks	<ul style="list-style-type: none">· The sustainability conceptual frameworks: ESG, Triple Bottom Line, SDGs· The reporting frameworks: GRI, SASB· The management system approach: ISO26000
The local context	The local sustainability initiatives: SigneNatir, SEMSI, BoM Climate Change Centre, the ESG framework mentioned in Budget 2022
IBL's context	While the above frameworks are all impactful and insightful, their relevance and applicability vary across our diversified portfolio of businesses. IBL has therefore chosen a unique in-house, hybrid top-down and bottom-up methodology, which taps into science, data, and our arsenal of competitive strengths and resources.

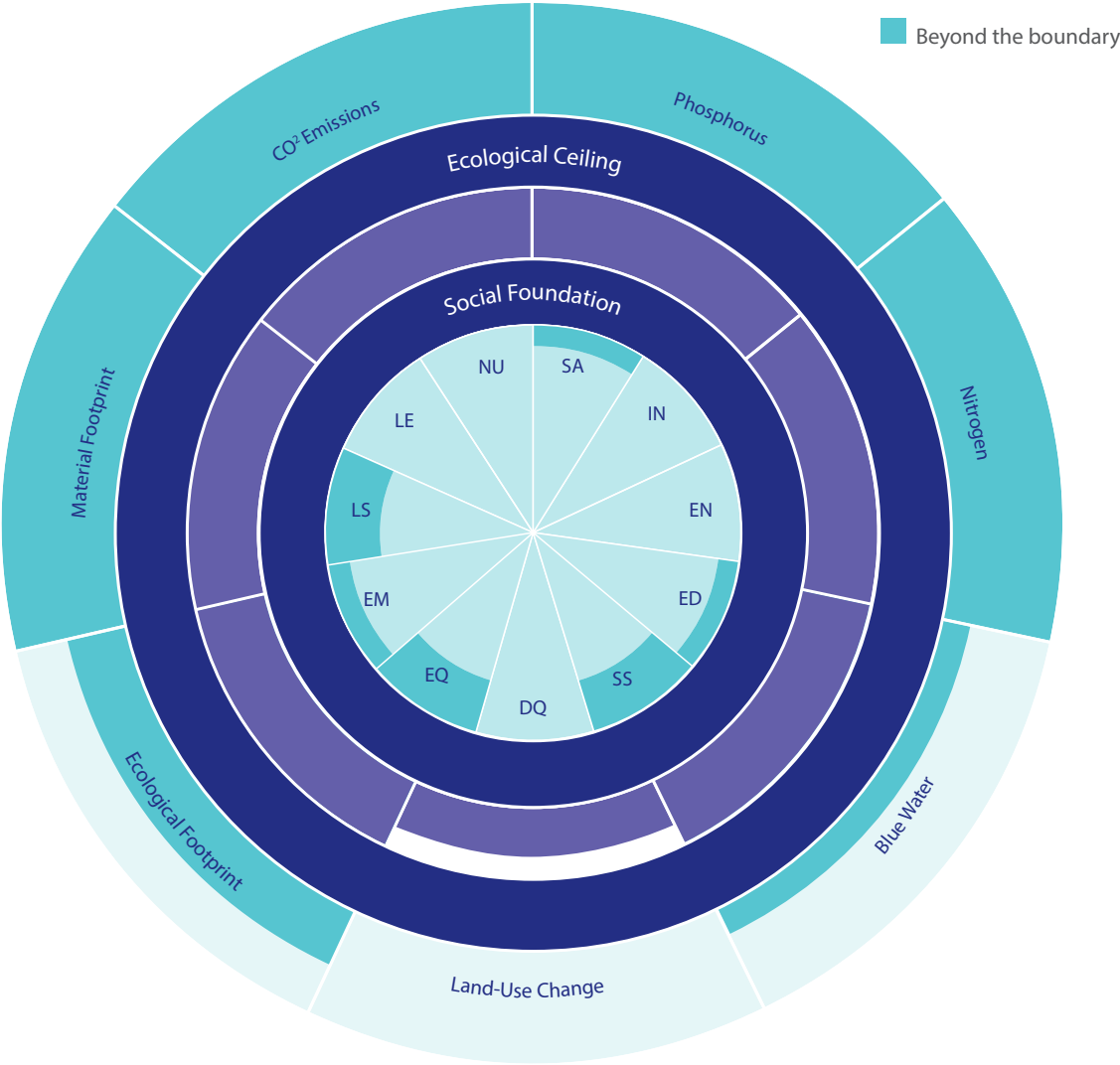
Further reading on The Doughnut Economics: <https://earth.org/what-is-doughnut-economics/>



The Doughnut model explained

An economy is considered prosperous when all 12 social foundations are met, without overshooting any of the nine ecological ceilings. In other words, using too many resources (an overshoot) leads to catastrophic environmental effects that are harmful to human life; using resources unwisely or incorrectly (a shortfall) means that people are living without access to life's essentials.

SUSTAINABILITY



- LS - Life Satisfaction
- LE - Healthy Life Expect.
- NU - Nutrition
- SA - Sanitation
- IN - Income
- EN - Access to Energy
- ED - Education
- SS - Social Support
- DQ - Democratic Quality
- EQ - Equality
- EM - Employment

This data is over 10 years old. It can therefore be reasonably assumed that there were either marginal improvements or even sharp declines with regard to some Ecological Ceilings. The shock of the Covid-19 crisis would have also contributed to increased shortfalls in certain dimensions of the Social Foundations.

The Doughnut model for Mauritius (2012) explained

- The desired outcome for the doughnut model is for the blue wedges to reach the social foundation ceiling, and for the green wedges to be within the ecological ceiling. Knowing this, we observe that:
- Mauritius is falling short on its social performance and not meeting basic needs in Life Satisfaction, Equality and Social Support.
 - Mauritius has largely overshot environmental boundaries in Nitrogen, Phosphorous and CO₂ emissions and Material Footprint, and Ecological Footprint and Blue Water to a lesser extent.

2. SUSTAINABILITY STRATEGY

The Embedding Project

We began the process by engaging with the Embedding Project, a global public-benefit research project that helps companies develop a contextual strategy to embed social and environmental factors across their operations and decision-making. The philosophy of the Embedding Project is aligned with the Doughnut Economics model, and therefore, with IBL's sustainability awareness. Through The Embedding Project, IBL has access to a community of vibrant sustainability practitioners and theoreticians, who offer support in shaping a method that anticipates future regulatory risks, while also adapting international norms to the local context. We also take into consideration inputs from our internal stakeholders, enabling us to adopt an agile approach to project deployment.

The diagram below outlines the steps to take to develop an embedded strategy:

Reflect at all levels through dialogue and workshops	Assess companies and determine the strategic relevant of issues	Develop position statements, policies and targets	Find linkages across our different businesses	Develop projects in line with ESG across BUs	Develop tool to measure and assess our footprint
Proactively scan our operating environment to understand the impact of our activities, gather data to establish a baseline, and identify the issues that are strategically and contextually relevant to IBL's businesses and their spheres of influence.	Using the Prioritisation Radar Tool, we assess the issues described in the previous steps on the basis of their relevance and develop an individual Entity Radar clearly depicting the priority areas where efforts and resources should be focused on.	Articulate a clear and contextually grounded roadmap, develop policies to support it, and set realistic goals with clear timeframes and a clear action plan.	Find overlapping issues between our different BUs in the same cluster, aiming to develop a cluster Radar, which, in turn, will aggregate into a Group Radar.	Develop programmes, projects and initiatives in line with the defined roadmap and in line with IBL's objectives and purpose.	Track, measure and monitor our progress against set objectives accurately and on an ongoing basis.

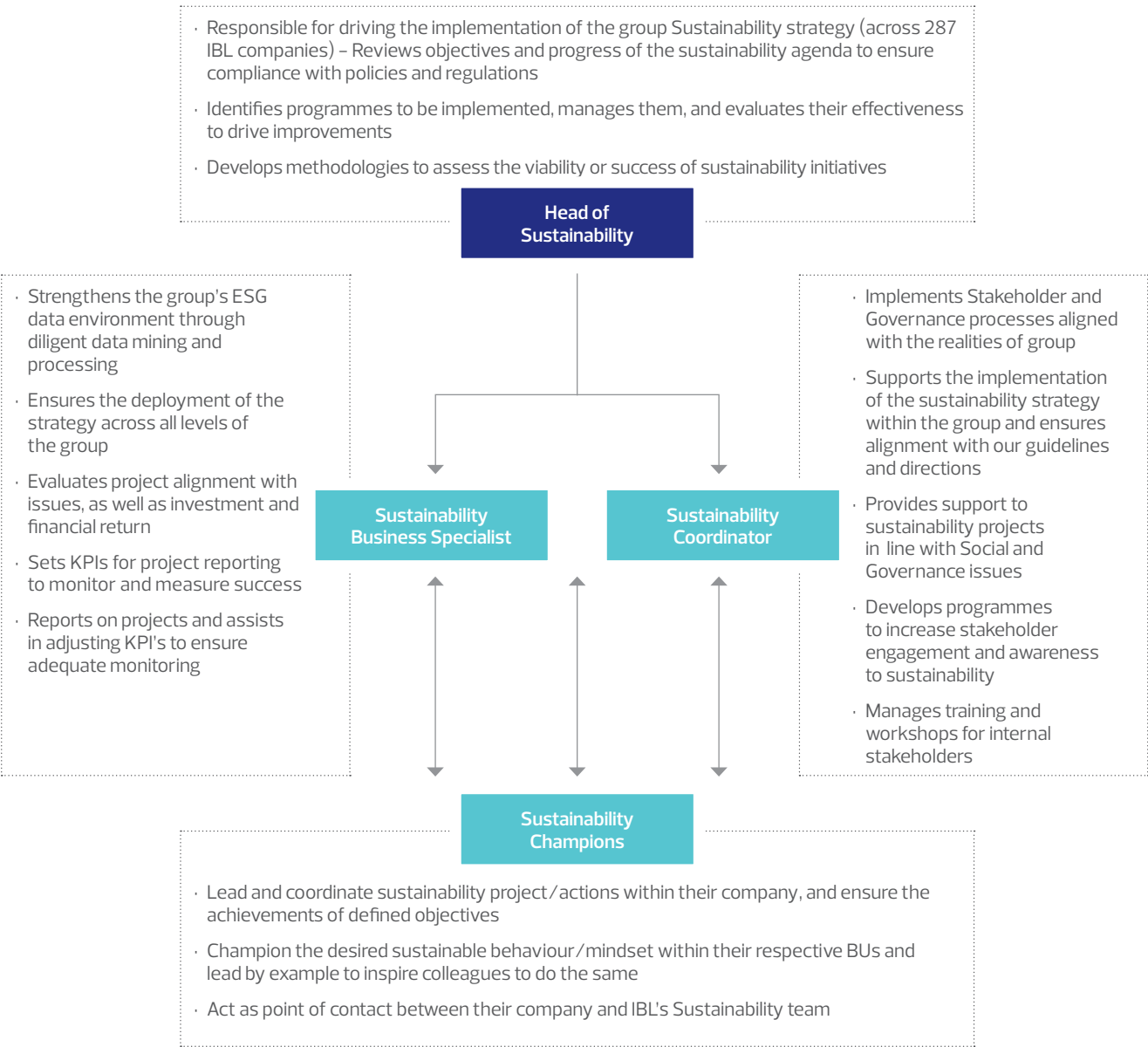
SUSTAINABILITY

2. SUSTAINABILITY STRATEGY (CONT'D)

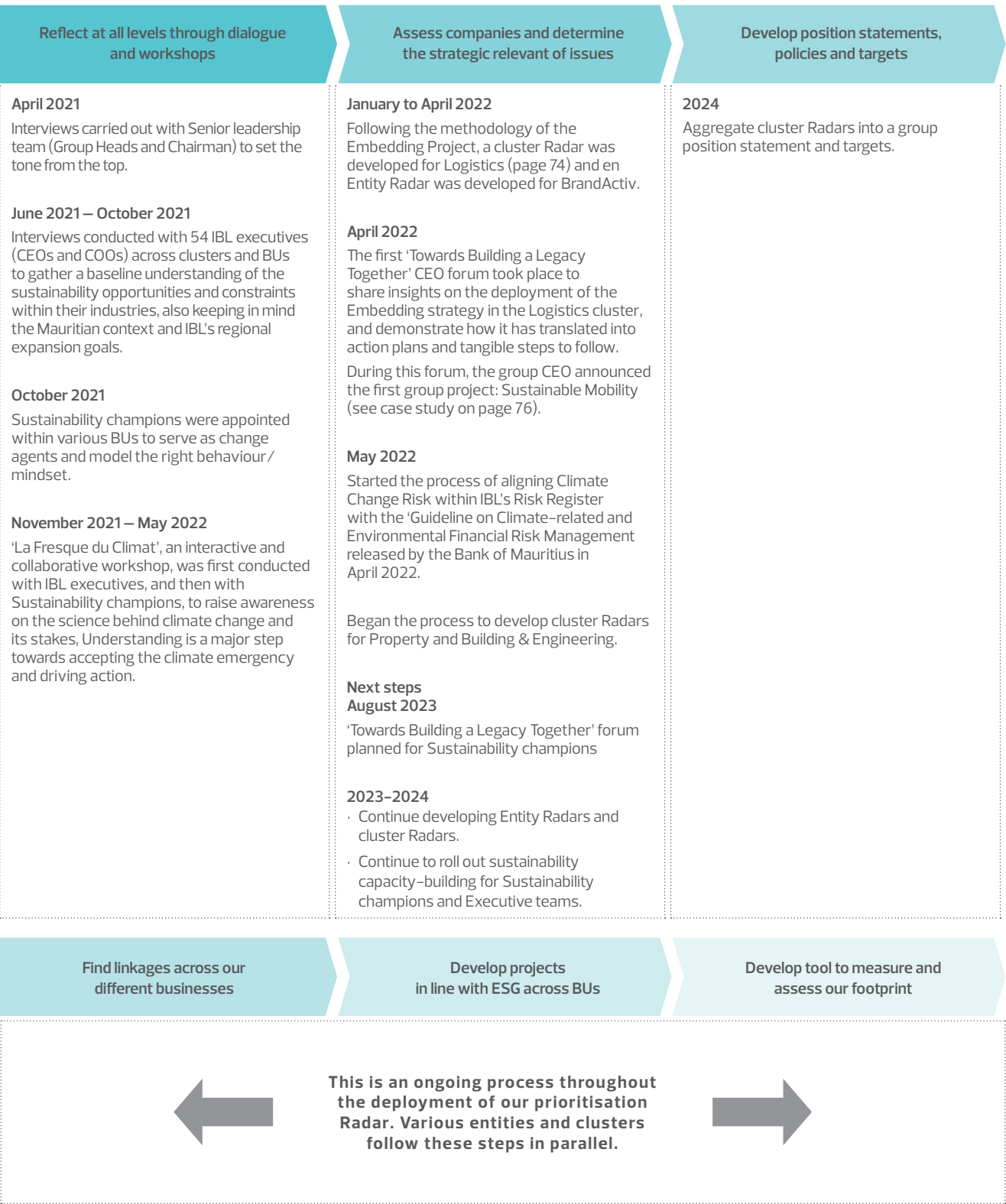
Linking theory to practice: setting up the right structure

Delivering on our roadmap requires making data-driven decisions and having the right governance structure in place to provide the necessary oversight and support. To this end, several changes were made during the year:

Sustainability went from being a siloed department to a transversal department that serves as a Sustainability Advisory Centre for the group's companies. Its role is to guide and accompanies our companies on their transition journey. A team of industry professionals works closely together to cover all dimensions of Sustainability.



Linking theory to practice: progress made in FY2022



SUSTAINABILITY

2. SUSTAINABILITY STRATEGY (CONT'D)

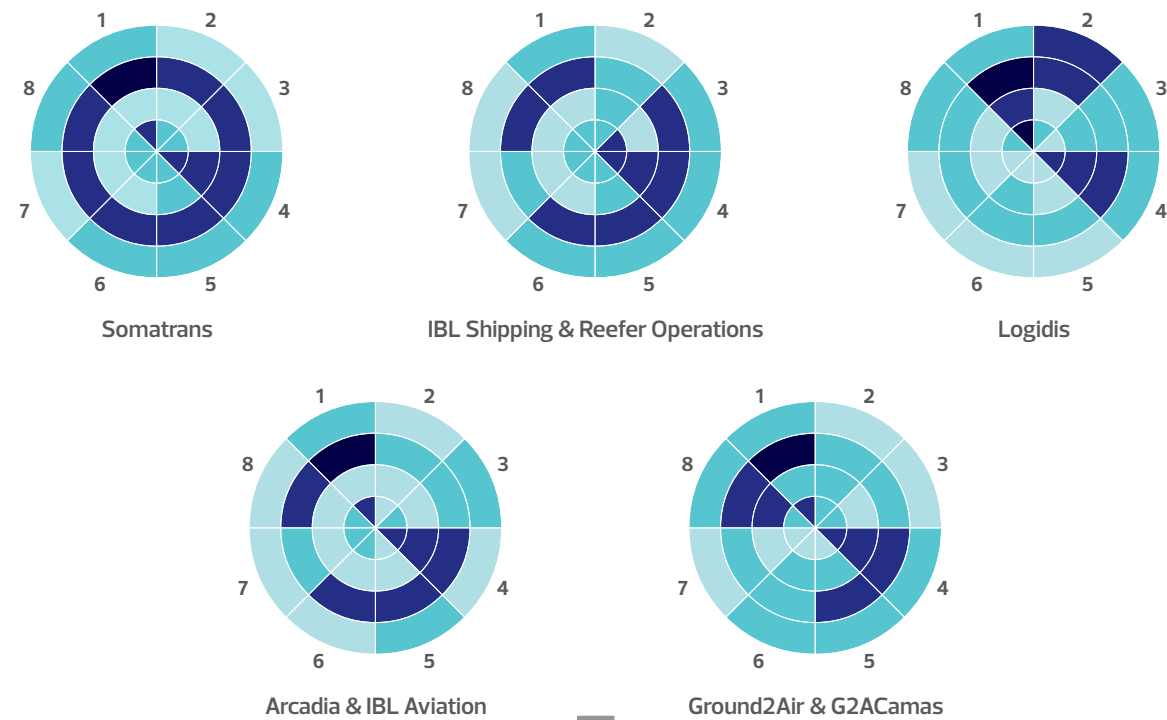
Linking theory to practice: the Embedding process for IBL Group

1 Climate	5 Materials & Waste	Minor or Well-mitigated
2 Rights & Well-being at Work	6 Ecosystems	Moderate or uncertain
3 Rights & Resilience in Communities	7 Water (Fresh & Marine)	Significant
4 Governance & Ethics	8 Pollutants	Critical or systemic



Company Level Radars

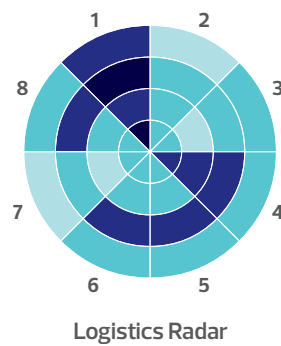
(Informs company level priorities, risk, strategy and sustainability goals)



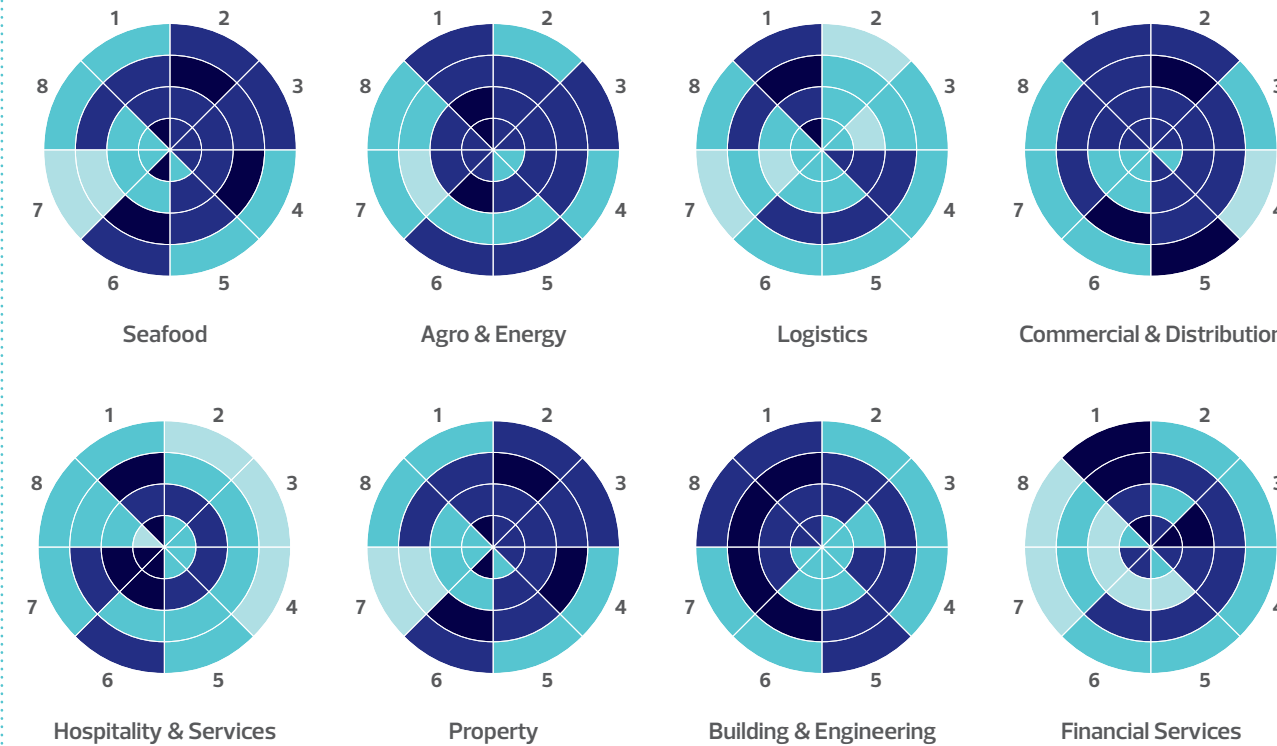
Informs

Cluster Level Radars

(Informs cluster level priorities, risk, strategy and sustainability goals)



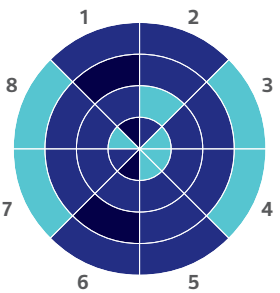
Cluster Level Radars



Informs

Group Level Radar

(Informs IBL Group level priorities, risk, strategy, and sustainability goals)



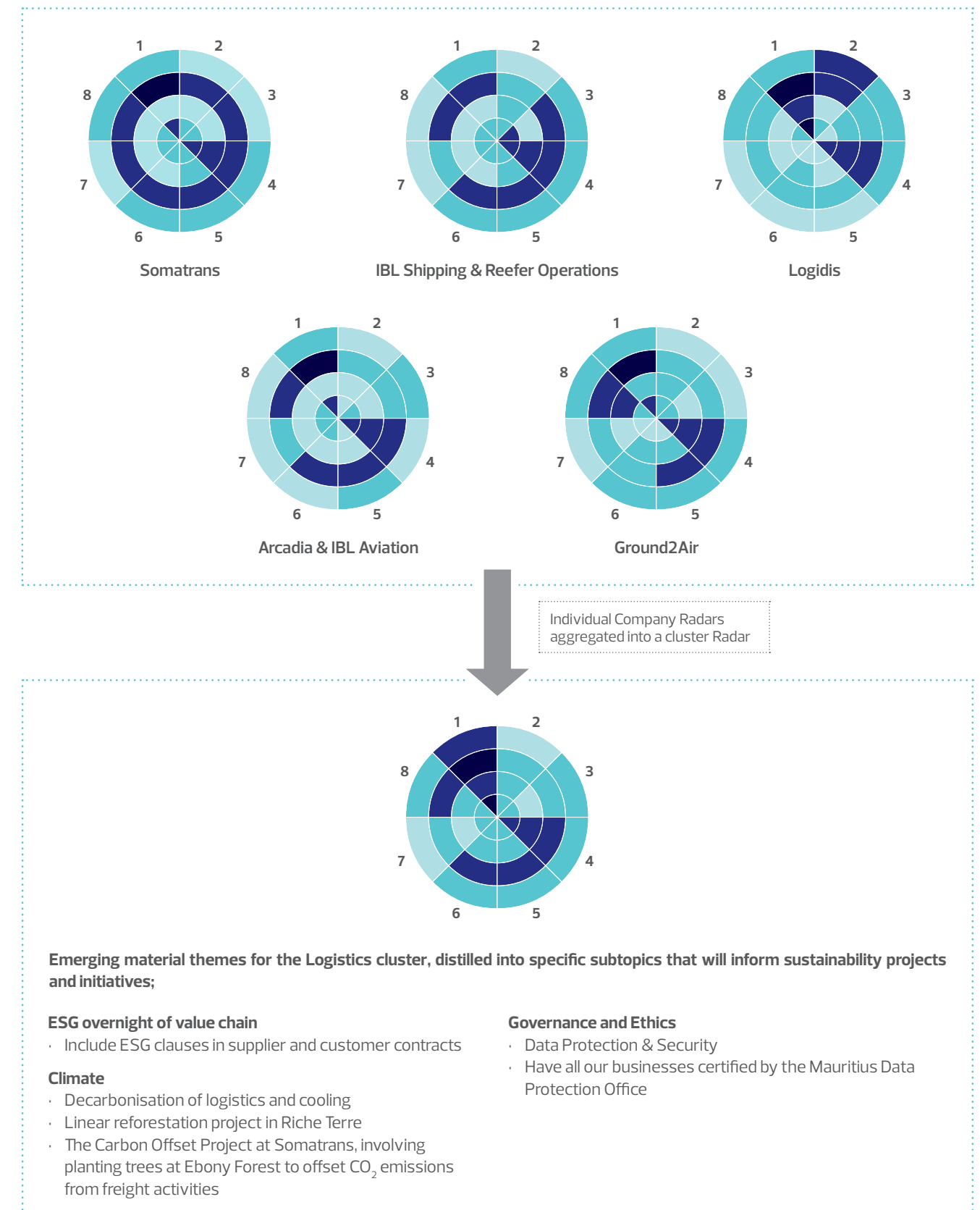
* In the spirit of transparency, we have chosen to disclose the first iteration of our Radar process for IBL Group. It is important to note that the cluster Radars (with the exception of Logistics) and Group Radar are being re-calibrated in FY 2023.

SUSTAINABILITY

Case in point: The Logistics cluster radar

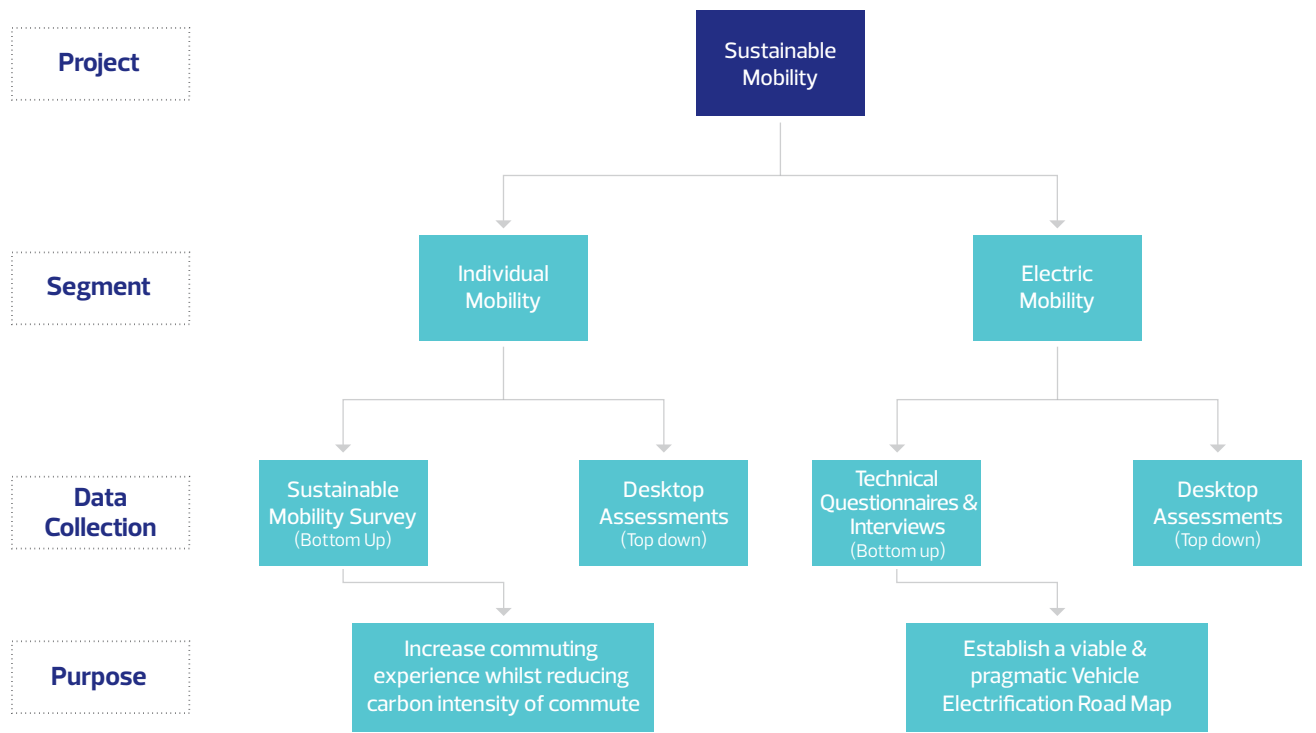


Case in point: The Logistics cluster radar (Cont'd)



SUSTAINABILITY

Case in point: Group Sustainable Mobility Project



As an employer of over 24,815 employees across various industries, decarbonisation stood out a business imperative for IBL. This gave rise to the group's flagship project – the Sustainable Mobility Project – whose primary objective is to decarbonise the transport flows for IBL Ltd and enhance the commuting experience of our team members.

Following preliminary consultations with internal stakeholders, several issues were shortlisted with respect to their strategic relevance and potential to create and maintain enterprise value, namely:

- Climate
- Rights and Well-being at Work
- Rights and Resilience in Communities

The success of the project rests upon the implementation of a two-pronged approach:

- firstly, the establishment of a coherent Electric Mobility Framework which directly addresses the **Climate** issue;
- secondly, encouraging our team members to shift towards low-carbon commuting options, thus addressing **Well-being at Work** and **Resilience in Communities**. Once deployed, the Sustainable Mobility Project is expected to have positive spillover effects on other sustainability issues.

To anchor this vision into reality, we designed a Sustainable Mobility Survey to gather data on the commuting patterns of our team members. We opted for an inclusive survey design to cover the various profiles, roles and socioeconomic backgrounds of the individuals within our operational boundary.

The Sustainable Mobility Survey is expected to be finalised by the end of FY2022 and the official launch of the project is planned in early FY 2023. In parallel, desktop assessments are ongoing, and the technical questionnaires and interviews are still in the design phase at the time of writing (Q4 2022).

One on One Sessions	Number
Group Heads	7 (FY2022)
Heads IBL	14
Companies	40
Total	61

Topics	Initiative	KPI	Unit
Capacity Building	La Fresque du Climat	328	training hours
Capacity Building	Senior Leadership Focus Session	244	interview hours
Capacity Building	CEO/COO presence in "Building a Legacy Together" Forum	68	number
Embedding Project	Sustainability Champion Training on Embedding Methodology	11	training hours
Embedding Project	Sustainability Priority Radar completed	6	number
Embedding Project	Sustainability Priority cluster Radar Completion	10%	percentage

Frameworks

- United Nations Global Compact
- Business Mauritius Sustainable & Inclusive Growth Commission
- Women Empowerment Program UN
- Nairobi Declaration on Sustainable Insurance by (EIIGeo)

CORPORATE SOCIAL RESPONSIBILITY

1. PROMOTING SOCIAL INCLUSION THROUGH CSR

Corporate Social Responsibility (CSR) is a key component of IBL's sustainability strategy, with one mission at heart: reduce poverty in a sustainable manner. Over the years, the group has sought to go beyond CSR to deliver impactful social change. It endeavours to drive long-term, positive transformation in poor communities through capacity-building and the promotion of social inclusion.

In 2020, the pandemic worsened the existing gaps in our social fabric, putting those in already vulnerable and disadvantaged situations at even greater risk. Consequences range from loss of jobs and income, to lack of access to food and health, plunging families into deeper poverty and forcing many children out of school. A deep reflection was carried out on how best to optimise our resources to address our target beneficiaries' most dire needs, and which areas to prioritise to have the most meaningful impact towards achieving SDG1 – No Poverty and advancing human dignity.

FJL is addressing the following risk factors to achieve its goal:


- Low literacy and poor academic performances
- Difficulties in accessing healthcare
- Precarious living conditions in vulnerable neighbourhoods
- Inequalities and violence against women



2. STRATEGIC PLAN



Following numerous discussions and deliberations with IBL's entities, a new strategic plan, built on four pillars, was established for the years 2020–2023. The plan builds on the progress made over the past years, and renews our commitment to listening and being attentive to needs. More targeted programmes were developed to tackle the most pressing issues in the wake of the pandemic and empower vulnerable people/families to take control of their own future.

The fight against poverty will not be won overnight, nor through ad-hoc actions. It requires long-term commitment and investment from all stakeholders. It is also critical to have clear indicators in place to assess the communities' needs, and measure the progress and impact being made. We devote a minimum of three years to any community development programme before reevaluating new needs and goals. From experience, we have observed that a ten-year horizon is ideal to deliver lasting social change at the level of the individual, the family and the collective. The transformation of Chemin Rail attests to the benefits of our approach (see case study below).

2018–2020	2020–2023	
 Improving access to quality education	 Empowerment programme	Aims to empower and build capacity within vulnerable communities. FJL works with different IBL companies to identify their stakeholder needs, connect them with the right partner NGOs, and encourage their active on-the-ground participation.
 Enhancing youth's development	 Literacy programme	Promoting literacy is crucial to sustainably reducing the education gap, and therefore, reducing poverty. Through this programme, FJL aims to ensure that its beneficiaries (both adults and children) learn to read, write and count.
 Promoting social justice and human dignity	 Rapid Response programme	FJL's Rapid Response Programme was defined following the pandemic and the sinking of MV Wakashio, whose compounded effects led to significant hardships in Mauritius. This programme allows FJL to respond to emergency situations by providing: <ul style="list-style-type: none">· Social support· Psychological support· Food security
 Empowering communities	 Research & Evaluation unit	Created in 2018, FJL's research unit allows the foundation to assess the impact of its programmes and better target its initiatives. The unit is currently setting up a comprehensive data bank, which will be used to implement evidence-based community support programmes based on international standards.

CORPORATE SOCIAL RESPONSIBILITY

3. KEY PROJECTS AND PROGRESS MADE IN 2021–2022

 Empowerment programme	 Literacy programme
<p>Horizon 2024</p> <p>Mission: Prevent teenage pregnancy and gender-based violence</p> <p>Collaborators: European Union Commission</p> <p>The increasing number of teenage pregnancies (aged 15 to 19) in disadvantaged communities in Mauritius is alarming. For many, childbirth is neither planned, nor wanted, and comes as a result of several factors: lack of information about sexual health and reproductive rights, sexual violence, inadequate access to contraception and health services.</p> <p>Through this project, FJL aims to support pregnant teenagers, who face stigma and rejection, are more likely to experience violence, and whose limited opportunities for employment perpetuates the cycle of poverty.</p> <p>Horizon 24 tackles the root causes by raising the girls' awareness of their sexual and reproductive health, and providing them with appropriate educational and psychological services.</p> <p>Areas of focus in FY2022</p> <ul style="list-style-type: none"> Carried out sexual and reproductive health sessions with 2 groups aged 10–13 and 14–16 years old. Held 'Life skills' workshop to help youth build self-confidence and critical life skills <p>Beneficiaries: 30 adolescents</p> <p>Neighbourhoods: Bois Marchand</p>	<p>Literacy programme for adults and children</p> <p>Mission: Empower adults within IBL clusters and children from vulnerable communities</p> <p>Collaborators: IBL Operations</p> <p>The literacy program aims to empower the inhabitants of vulnerable communities to take on a more active role in shaping a better future for their neighbourhoods. FJL works closely with facilitators from villages, offering them the tips, training, guidance and skills they need to become leaders in their own communities. The objective for 2023 is for them to set up and run their own NGO. So far, all facilitators have expressed having the confidence and required skills to set up a local project.</p> <p>Areas of focus in FY2022:</p> <ul style="list-style-type: none"> Assessed the needs of children aged 8–12 years old and analyse causes of school failure in ZEP schools <p>Neighbourhoods: Baie du Tombeau, Ste. Croix, Bois Marchand</p>

 Rapid Response programme	 Research & Evaluation unit
<p>Address the socioeconomic fallout from the pandemic</p> <p>Mission: Meet the urgent needs of vulnerable communities by providing food security, social support and psychological support</p> <p>Collaborators: FJL's social workers and home visitors, Winners, counsellors</p> <p>Areas of focus in FY2022:</p> <ul style="list-style-type: none"> Provision of food packs and sanitary products to affected families <p>Beneficiaries: 102 families (380 individuals)</p> <p>Neighbourhoods: Bois Marchand, Chemin Rail et Amaury, Pont Bruniquel, Batterie Cassée</p> <ul style="list-style-type: none"> Uninterrupted running of pre-primary classes via WhatsApp, led by the Manager and teachers of Sainte-Famille de Bois Marchand kindergarten. Children were kept engaged and entertained via WhatsApp during lockdown to ensure they do not drop out of school. Parents were encouraged to take on a more active role in their children's schooling and education. <p>Beneficiaries: 37 parents</p> <p>Neighbourhoods: Bois Marchand and Chemin Rail</p> <ul style="list-style-type: none"> Psychological support and counselling <p>Beneficiaries: 50 people made 419 calls over the course of eight weeks</p> <p>Neighbourhoods: Bois Marchand</p> <ul style="list-style-type: none"> Increased vigilance to prevent potential acts of domestic violence, which are likely to occur more frequently with people being confined at home with abusive family members 	<p>Understand the needs of communities and develop evidence-based projects that prioritises human rights, child protection, access to education and health services, parent support</p> <p>Mission: Continuously analyse and monitor impact of programmes to determine sustainable ways to reduce poverty</p> <p>Collaborators: Members of vulnerable communities, government agencies like Statistics Mauritius, National Social Inclusion Foundation, the Mauritius Research and Innovation Council, international organisations like the United Nations Sustainable Development Goals, the World Bank</p> <p>Areas of focus in FY2022:</p> <p>Youth sexual and reproductive health</p>

CORPORATE SOCIAL RESPONSIBILITY

4. SPOTLIGHT

Chemin Rail

FJL's approach to community development has yielded positive results, as evidenced by the remarkable transformation of Chemin Rail. Ten years ago, FJL sought to uplift families in Chemin Rail, driven by strong values of respect, empathy, human dignity and attentiveness. What began with a social housing project, aiming to offer decent living conditions to families in the community, evolved into a programme covering several dimensions that IBL deems integral to a better future: youth education, healthcare, family and empowerment. These various long-term projects and initiatives have been progressively set up over the years, and are now run by empowered community members, who no longer require IBL's hands-on intervention. Today, Chemin Rail is autonomous and resilient, and has safely emerged from poverty.

20+ families live in adequate housing, with access to clean water and electricity. They are expected to be proud owners of their own homes after years of social contribution.

An extension of the social housing project, the housekeeping programme offers the beneficiaries of new homes with critical life skills to run their houses: energy saving, gardening, budgeting, communication, conflict resolution, etc.

Five youngsters have benefitted from the Youth Orientation programme. Today, they are pursuing their ambitions in welding, auto mechanics, masonry and caregiving.

A community garden, run by some members of the community, has helped inhabitants move towards food self sufficiency. The garden provides inhabitants of Chemin Rail with certain seasonal fruits and vegetables all year long.

The community's youth have been trained in beekeeping and agriculture to encourage them to acquire the skills to become environmental entrepreneurs.

Psychological support is offered to community members on a bi-weekly basis.

Testimony of of an empowered community member



Jean-Eric Boudeuse,

19 ans, Projet Jeunes 2018-2019

"At first, I was hesitant. But I quickly started appreciating and understanding the importance of the topics and discussions that were being raised during this project. I took several training sessions and today, I am proud to be one of the facilitators for the youth in our neighbourhood, along with Nicolas. Having training programmes for the young adults of Bois Marchand is a way to encourage them to learn some useful skills, think about the future and be more aware of the challenges and dangers around us."

HUMAN CAPITAL

1. EVOLVING OUR HC ROADMAP IN SUPPORT OF THE GROUP STRATEGY

IBL's Human Capital function is a key strategic enabler in the delivery of the group's overarching objectives. Its role is in constant evolution to ensure that the workforce is equipped and empowered with the right skills and capabilities to keep up with changing market forces and support the expansion of the group.

During the year, we reached the completion of our three-year 2019–2022 roadmap, successfully positioning the group to drive growth beyond borders into Eastern Africa, consolidating its regional and international expansion.

In our new three-year plan starting in July 2022, we are pursuing the deployment of our core HC strategy, built around five pillars:


Optimise the group's HC processes across all companies	Strengthen the group's succession planning, while developing internal talents & attracting new talents	Support businesses' transformation and performance through capability-building and leadership development	Support IBL's Beyond Borders strategy through the consolidation of our African offices	Improve the employee experience and use of data analytics through our fully integrated People Online Platform (POP)
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Our 'People First' core value remains deeply rooted in this new roadmap. We are committed to leading and accompanying our people alongside the group's ongoing digital transformation journey, and more recently, its ambitious Beyond Borders strategy. The personal and professional growth of our people goes hand-in-hand with the growth of IBL's activities. To achieve this, we have initiated the set up of the IBL Performance Academy, with the aim of developing common building blocks of capabilities to enhance the performance of our Companies.

Now two years into the pandemic, a strong Safety & Health culture is part of the work environment at IBL. The entire workforce fully understands and follows expectations around good sanitary and hygiene practices. During the year, however, we strengthened our approach to employee wellbeing, making sure to address all the dimensions of wellness: physical, mental, work-life balance, diversity and inclusion, amongst others.

2. ACHIEVEMENTS IN THE EXECUTION OF OUR STRATEGY IN FY2022

Harmonise the group's human capital approach	<ul style="list-style-type: none">· To align our human capital practices across the group, we solicited HC teams in the various BUs, and together, we defined and communicated our 'Back to Essentials' practices. This tool will help us identify the gaps and initiate actions to reduce variances in practices.· A Group HC Digital platform was set up for the sharing of Good Industrial Relations Practices.· A pulse survey was conducted through the eNPS model, with the aim of measuring employee commitment across IBL Operations.· With the extension of retirement age up to 65 years, we achieved the alignment of our Defined Contribution (DC) Pension scheme from 60 to 65 years, and introduced a new scheme that can shift from a Defined Benefit (DB) scheme to a DC scheme with a retirement age up to 65. A study is in progress to set up a new pension scheme to cover employees who are neither under a DC nor a DB scheme.· In the area of Safety & Health, several initiatives were taken to harmonise the Group's approach, including the implementation of the S&H competency framework, which evaluates, trains and increases the level of competency of Safety and Health professionals across IBL Operations.
Strengthen the group's succession planning & recruitment strategies	<ul style="list-style-type: none">· After completing the Talent Review for all IBL Operations, we extended it to our subsidiaries to identify their business-critical roles.· Prior to this, we conducted an extensive working session across all companies to onboard CEOs and HC teams on the use of the group's Succession Planning Tools.

Help businesses transform through leadership development	<ul style="list-style-type: none">· Over 38 sessions covering 176 hours were delivered to 177 participants within IBL Operations, according to the IBL Leadership Framework, with a focus on the People and Inspiration (self) Leadership capabilities.·  Refer to the case study below for the results.· The 7th edition of the Management Development Programme (MDP), in partnership with University of Stellenbosch Business School – Executive Development, was held with 30 participants.· A think tank was set up to discuss the creation of the IBL Performance Academy and to agree on the best way forward to ensure it achieves its mission of enhancing the development of our talents, reducing variances across the group and increasing our overall business performance.
Attract top talent	<ul style="list-style-type: none">· In addition to our regular job-posting practices, a digital recruitment campaign was initiated in December 2021 to position IBL as an attractive employer by leveraging the power of social media. Vacancy templates were enhanced to have a stronger visual impact and attract younger talents.· The IBL Mobility Framework is currently under the process of validation. Its goal is to encourage IBL employees to move into new roles and explore opportunities within other IBL companies.
Digitalise processes	<ul style="list-style-type: none">· Thanks to the hard work and dedication of our teams, 5,115 employees across 41 entities of the group were successfully onboarded in Phase 1 of the People Online Platform (HR, Payroll, Time and Attendance, and Leave Management modules).· We have begun the initiation of Phase 2 of the talent modules (Recruiting, Onboarding, Learning, Performance Management, Succession Planning, Dashboards) within pilot companies of IBL Operations.

HUMAN CAPITAL

3. OUR NEW THREE-YEAR ROADMAP FROM FY 2023 TO FY 2025

Following the completion of our three-year plan, we are now embarking on the delivery of the newly defined strategic pillars from 2023 to 2025, with a renewed commitment to uphold best HC practices so we can attract, develop and retain our talents.

Optimise the group's human capital processes across all companies	<ul style="list-style-type: none">As we consolidate our internal capabilities in each area of the employee lifecycle (covering the attraction of the employee until their exit from the company), our aim is to work towards transactional excellence at the operational level through the harmonisation of practices.In the coming year, we will be launching a Group Safety & Health Manual, whose purpose is to raise awareness amongst employees of IBL about Occupational Safety and Health issues, environmental challenges and other key topics. It also gives our people access to vital information relating to the responsibilities of employers and employees, procedures, and important contact numbers.
Strengthen the group's succession planning & recruitment strategies	<ul style="list-style-type: none">Together with our companies, we will be working on Succession Planning and Retention strategies for their defined business-critical roles.Through the IBL Mobility Framework, we aim to promote the internal mobility of talents, encouraging them to explore new projects and roles within the group.
Support businesses' transformation and performance through capability-building and leadership development	<ul style="list-style-type: none">We have begun setting up the IBL Performance Academy, whose ambition is twofold: uplift the capabilities of our people to enhance the overall business performance and close variance gaps across functions and levels; and reinforce our IBL culture, mindset, values and ways of doing business across all BUs. One of the Academy's focal points is building capabilities at a grassroots level.The Academy will be deployed in two phases:<ul style="list-style-type: none">Set up for IBL Operations on a pilot basisExtension of Academy facilities to other companies of the group.
Support our IBL Beyond Borders strategy through the consolidation of our African offices	<ul style="list-style-type: none">Set up our international expatriation process for IBL talents as the group's Beyond Borders strategy progresses.Our role is also to accompany businesses in their expansion, while understanding the key challenges of employment in Africa.
Improve the employee experience and use of data analytics through our fully integrated People Online Platform (POP)	<ul style="list-style-type: none">Continue rolling out the POP project and deploy the various talent modules at BU level (Phase 2).Once we have completed the implementation of the talent modules, the next step will be to optimise the POP with a focus on People Analytics for strategic decisions while continuously enhancing the employee experience.



CASE STUDY 1

IBL Beyond Borders

Introduction

IBL's Beyond Borders strategy seeks to expand the group's activities into Eastern Africa, consolidating its presence regionally. Alongside this objective, IBL has also set its mark on gradually developing into an international company with high-potential talents, aiming to successfully deploy them in strategic positions within the group to drive and sustain IBL's growth.

Challenge

IBL has confirmed its strong ambitions for international growth with the acquisition of shares in several African companies, including Naivas International. This aspiring move, however, entails the familiarisation and deep understanding of new markets and new practices.

Solution

The group's Human Capital function is playing an important role as a strategic partner in IBL's Beyond Borders strategy. We began by conducting an internal survey to gauge our employees' interest to participate in IBL's Beyond Borders adventure. The response was extremely favourable and demonstrated our employees' ambitions for international exposure and career progression. Alongside this, we actively participated in the due diligence process in Kenya to acquire potential businesses.

Following comprehensive groundwork, HC was invited to assist with all the initiatives relating to the setting up of new IBL offices in Nairobi, starting with the initiation of contact with regional partners and service providers to facilitate the expatriation of our key talents in East Africa. We successfully recruited a COO in October 2021 to strengthen the existing IBL African team. After accompanying him during almost one year of immersion into the group's vision, mission, values, strategies and IBL Together culture, the COO is now equipped to take the Beyond Borders strategy forward.

Benefit

On-the-ground research and thorough due diligence were key in understanding the realities in our target markets and the complexities of new jurisdictions. In-person contact with potential partners is also vital in establishing strong relationships in the future. We now have a better grasp on the local business culture and are ready to define a new line of skills and competencies required for IBL employees to successfully relocate to East Africa and deliver on the regional strategy.

Result

209 interested to move to East Africa within 5 months and stay on a four-year contract on average.

HUMAN CAPITAL



CASE STUDY 2

Leadership Framework – Inspirational Leader

Introduction

A strong values-driven leadership team propels the organisation and its people forward. Today, more than ever, the volatile and uncertain business environment requires a new type of leadership: agile, determined, bold, creative and above all, having the ability to inspire others to rise to challenges and achieve organisational business objectives.

IBL's Leadership Framework was coined in 2018 to infuse novelty in our group leadership's capabilities. The desired leadership capabilities, competencies and behaviours of an IBL leader were clearly identified, and in FY2021, our BUs embarked on their SPICE (Strategic, People, Inspiration, Customer Centric and Execution) leadership journey.

Challenges

The group's biggest challenge is to ensure that it has a steady, reliable pipeline of potential leaders, with the right skills and attitudes to smoothly take over leadership positions and keep the organisation running at an optimal level.

As a large conglomerate with diverse activities across industries, IBL faced several challenges in implementing the Leadership Framework:

- Aligning the Framework with IBL's vision, while also respecting the specificities and challenges of every business.
- Inculcate a strong culture of self-awareness and discipline as a Leader, before being able to develop talent in others.
- Sustain and extend learning and growth outside learning sessions.
- How to measure the impact of these sessions on the work environment within Operations.

Solution

The Leadership sessions were adapted to fulfil the needs of every participating company. The content of the sessions and team activities was tailor-made and designed according to the dynamics of the team members and the challenges faced by their respective companies.

All sessions ended on an agreed takeaway, with Self Leadership and People Leadership capabilities being prioritised. During the sessions, leaders were trained to develop self-awareness and gain an understanding of the dynamics of their team. They were empowered to pay closer attention to their daily healthy habits, such as regular exercise and balanced nutrition.

Action plans were set up accordingly, requiring a course of action on three fronts: personal, team and company level. All these actions are encapsulated in a Leadership Passport, in which every participant is encouraged to apply and record their learnings through three perspectives: namely Formal Education Training, On-the-Job Training and Life Experiences projects.

Benefit

Change that begins with the individual has a positive ripple effect among colleagues. A self-aware leader who walks the talk inspires others to follow suit. IBL's concept of 'Inspiration Leader' is deeply rooted in this notion.

Through personal purpose, self-discipline, personal humility, professional will and by living his/her values, an inspirational leader creates a high-trust and high-performance culture, and a strong sense of belonging, that can take the company to new heights.

Following the sessions, our leaders reported being more mindful of the power of their thoughts and beliefs, and how to get the best out of themselves, and out of their team.

Results

177 leaders/employees trained in the Inspirational Leader workshop over 13 sessions and 63 hours

92% found the workshop met their expectations

90% experienced an increase in knowledge from the workshop

TECHNOLOGY & TRANSFORMATION

1. MAKING DIGITAL A STRATEGIC GROWTH ENABLER

IBL Group views digital transformation as a critical growth enabler and a key driver of our strategy. In 2019, the group embarked on an ambitious digital transformation roadmap, which we continue to finetune and adjust based on evolving market conditions and business opportunities. The past two years, however, have leapfrogged many digital initiatives as both employees' and customers' expectations around convenience and safety have increased dramatically. To address these expectations and remain competitive in this business environment, new strategies, practices and mindsets are required – and for this, technology continues to be a primary catalyst.

Prior to the pandemic, some of IBL's businesses were already digitally advanced. During the crisis, they seized opportunities to scale up their investments in technology and harness it as a source of competitive advantage; other less prepared businesses had to recalibrate their approach, shifting digital transformation from a supportive role to a more strategic role; others, yet, embarked on a digital journey to be able to serve their customers and ensure their survival. Driving these digital transformation initiatives, both at the group level and within individual Business Units, is the Technology & Transformation (TnT) team. Its role is to accompany various BUs in their transformation journey: it first assesses their technology maturity and gains an understanding of their business objectives; it then helps them define a clear, well-thought-out digital roadmap that serves those objectives, before advising them on the right infrastructure, capabilities and success metrics required to drive their transformation. In pursuit of this goal, the TnT team accompanies them along the following dimensions:

	What it entails	Desired outcome
IT Shared Services	Vendor Management & Procurement <ul style="list-style-type: none">Onboarding and evaluation of technology partnersSecure best pricing and value added services based on committed volumes through group dealsManage IBL Friendly Vendor List	<ul style="list-style-type: none">Cost savings through economies of scaleAdherence to IBL standards and best practices on infrastructure and enterprise toolsCompliance across the group for Enterprise Products
	Infrastructure & Office 365 <ul style="list-style-type: none">Centre of excellence for Microsoft Suites and group Enterprise productsAssist small and new BUs to set up and manage their IT infrastructure and enterprise software	
Project & Change Management	Project Management <ul style="list-style-type: none">Project initiation and gathering of requirementsRFP processProof of conceptsIdentification, selection and management of vendorPrototypingScope & budget controlUser Acceptance TestingHanding over to Operations	<ul style="list-style-type: none">The implemented technology achieves business objectives, and is implemented within the expected timeframe and budgetStrong digital culture in which users embrace changes brought about by technology
	Change Management <ul style="list-style-type: none">Identify Change Agent & championsUnderstand 'As-Is' and the need for changeAlign stakeholdersDefine the vision for changeProject communicationAssess required organisational changesTraining and upskillingRegular monitoring of engagement levelsCelebrate successes and share lessons learned	

	What it entails	Desired outcome
Enterprise Architecture	<ul style="list-style-type: none">Guide IT and business leaders in the definition of their future enterprise architectureShape solutions of end-to-end technology projectsDrive adoption of software development best practices by service providersResearch and evaluation of emerging technology, industry and market trends	<ul style="list-style-type: none">Optimisation of existing technologyAchievement of business outcomes with the right technology
Business Process Transformation	<ul style="list-style-type: none">Identify opportunities for digital transformationDevelop best practices for business process modelling in view of their digitalisationAssist BUs in the definition of their digital roadmap	<ul style="list-style-type: none">Enhanced operational efficiency through new operating modelsEnhanced customer satisfaction and experience
Data Analytics	<ul style="list-style-type: none">Guide leadership teams on data analytics initiativesDrive implementation of data architectures, data extraction, transformation and visualisation toolsEstablish data governance best practicesAssist operational/ business teams in enhancing and maintaining data quality	<ul style="list-style-type: none">Optimised operations, improved efficiency and an enhanced customer experience through data-driven insights
Cybersecurity	<ul style="list-style-type: none">Define group cybersecurity standards & governanceLead management and resolution of incidentsConduct Vulnerability Assessment exercisesOnboard and manage relationships with key cybersecurity service providersAdvise BUs on security tools and service providersDrive cybersecurity awareness across the group	<ul style="list-style-type: none">Protection of customer and company digital data to prevent financial or reputational damage to the group

In 2021, digital transformation took on greater importance in the context of the group's ambitions to move beyond Mauritius' borders. As different BUs look to expand their activities regionally and/or internationally, they require scalable digital solutions that can support the increased complexity, easily integrate with other tools, enable distributed teams to collaborate efficiently, meet various regulatory requirements and mitigate cybersecurity risks, all while ensuring a seamless digital experience across countries and channels. This is no easy task, and it is an ongoing journey that requires continuous transformation to reap the benefits of existing and future technologies.

To achieve this, we pursued our endeavours to embed digital readiness into the group-wide culture by:

- Setting up a governance structure that supports the group's digital agenda;
- Increasing the awareness of our leaders so they champion the digital-first mindset and set a clear tone from the top;
- Investing in the right technical skills and in change management;
- Reinforcing our cybersecurity posture and strategy described later in this section.

Please refer to the section "Information, Information Technology and Information Security Governance" on page 178 to read about how a clear governance framework and structure sets the basis for successful digital transformation.

TECHNOLOGY & TRANSFORMATION

2. PROGRESS ON OUR DIGITAL TRANSFORMATION ROADMAP

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
Achievements in 2021–2022		
<ul style="list-style-type: none">Soft launch of Mo'KaBa, BrandActiv's integrated consumer engagement mobile application. Its objective is to ignite the customer experience through an immersion in the brand universe of all the different products marketed and distributed by BrandActiv. Consumers have access to recipes, tips and tricks on the mobile platform, are able to provide instant feedback on products, and can connect with BrandActiv at any time.As part of Phoenix Bev's digital transformation journey, the online and home delivery shop shop.phoenixbev.mu was launched in October 2021. Beyond its original mission to mitigate business continuity challenges, this shop has quickly become a convenience outlet for the delivery of bulk and premium products. The site offers a range of exclusive products delivered within 48 hours all around the island.Pursued the development of Espace Maison's e-commerce platform, with the goal of boosting conversion rates and improving the customer experience.Logidis deployed an innovative Passenger Management System (see case study below)	<ul style="list-style-type: none">Implemented Payroll and Time & Attendance modules across IBL Operations. Its many features, including timesheets and leave management, have significantly simplified routine tasks and reduced inaccuracies.Completed the deployment and increased adoption of METI, an integrated solution for retail, across Winners' outlets, leading to significant improvements in stock and profitability managementEnhanced reporting and data analytics at HealthActiv and BrandActiv with the recruitment of a dedicated data teamReporting optimisation at WinnersSuccessfully upgraded the core system at DTOS, leading to significant cost and time efficiencies. (see case study below)	<ul style="list-style-type: none">Awareness sessions are conducted at different management levels to ensure that the sharing of information and best practices is cascaded down the management chain:<ul style="list-style-type: none">– Bi-monthly sessions with COOs– Bi-monthly sessions between TnT team and leadership teams in Operations– Bi-monthly sessions with IT leadersConducted change management training for 40 participants across the groupCarried out training sessions for 10 participants around a data-driven culture and data strategy, providing participants with a unique set of tools based on design thinking. The tools selected are used by global companies in hospitality, market research, media, logistics and utilities.
Priorities for 2022–2023		
<ul style="list-style-type: none">Enhance BrandActiv's MoKaba mobile application with personalised notifications to keep users updated about current and future incentive programmes and regular lucky draws.With the growing success of Phoenix Bev's online and home delivery shop, Phase 2 is planned for December 2022. This will entail innovative offers, such as the provision of a dedicated team and rental material for home events.Besides the app, Espace Maison is set to launch a game-changing platform for freelance building and construction professionals. The platform will build upon data obtained from Espace Maison's loyalty programme, and connect sole traders/freelancers directly with businesses and individuals looking for skilled services.	<ul style="list-style-type: none">Deploy other modules of the People Online Platform (POP) across BUs: performance management, career development and onboarding.Continue developing our data analytics capabilities. We aim to conduct proofs of concept on more powerful data analytics platforms to identify the right solution for different BUs. The goal is to leverage our data in a way that allows us to gain relevant insights from historical patterns and make more accurate forecasts going forward.Continue the replacement of core systems within the corporate office, Marine Bio Technology, HealthActiv, CMH, Eagle Insurance and CNOI.	<ul style="list-style-type: none">Conduct agile training for business leaders and project teams to ensure a structured framework is in place for iterative software projects, such as data analytics and custom development. The first batch of training is scheduled for August 2022.Pursue in-depth training on data design thinking with the objective of creating user-centered data strategies and analytics.

3. A ROBUST CYBERSECURITY STRATEGY

While digital transformation is instrumental to the success of a business in a competitive environment, it can also render an organisation more vulnerable to security threats and data breaches. If not managed properly, these threats have the potential to disrupt business operations and cause irreversible reputational and legal damage. Against this backdrop, the group has proactively laid out a robust cybersecurity strategy, which is also aligned with its overarching business strategy. Given the diversity of the group's activities, the strategy aims to strike a careful balance between being generic enough to apply to all businesses, while also being focused and practical enough to enhance their security posture.

The following guiding principles were defined to govern the cybersecurity strategy:

Embed Security Into The Organisation
Implement Relevant Industry Standards & Best Practices
Build And Leverage Internal Resources
Any Outsourcing Is To Support Internal Teams

OVERALL STRATEGY

IBL's cybersecurity strategy is built on the following three principles:

- To set clear security priorities: **WHAT** do we need to do?
- To develop adequate security capabilities: **WHO** will be doing it?
- To focus on core security activities to secure the organisation: **HOW** are we going to do it?

Clear Security Priorities	What	<ul style="list-style-type: none">Ensure the organisation is adequately securedEstablish the right governanceImplement a consistent set of policies and processesProvide the right visibility to the Board
Adequate Security Capabilities	Who	<ul style="list-style-type: none">Optimise existing internal areas of expertiseInternal capability-buildingRecruitment planningKey strategic external partners
Focused Security Activities	How	<ul style="list-style-type: none">Integration: Integrate cybersecurity within the organisationDetection: Detect cyber threats rapidly and accuratelyPrevention: Prevent cyber threats before they become incidentsResponse: Respond to cyber incidents with agility and efficiency

TECHNOLOGY & TRANSFORMATION

4. CASE STUDIES



Leadership Framework – Inspirational Leader

DTOS embarked on a digital transformation journey in 2018 with the ambition to achieve better business solutions and expand its global reach.

To this end, it appointed a consulting firm to assist with the assessment, selection, implementation and support of a new Integrated Information System, whose aim was to streamline internal processes, which, in turn, was expected to translate into an improved customer experience and enhanced operational efficiency.

DTOS faced several challenges with the previous system: it was unable to leverage the full potential of the system to reach its desired digital maturity and achieve its strategic goals. There was also a crucial need to enhance the information flow between collaborators to increase service levels and deliver a better customer experience.

Project Rainbow was created and set in motion in April 2019. After announcing a request for proposal, DTOS selected a new core system named NavOne, a world-leading enterprise-wide system designed with integration at the forefront. It connects all IT systems, applications and processes onto one simple-to-use and unified platform. NavOne is compatible with most other software and can be continuously scaled up as business activities expand over time.

Since Project Rainbow was launched, DTOS' employees have benefitted significantly from being onboarded on one integrated system: information is centralised and available to everyone across DTOS globally, at any time, from anywhere; all departments are now aligned around clear standardised processes. With better visibility over critical client data, the teams are able to extract valuable insights and offer a more personalised customer service. In addition, timesheet management is optimised, resulting in improved productivity and higher employee engagement levels. Compliance monitoring is built in, ensuring that DTOS is meeting its regulatory mandates. All of this have given rise to notable cost reductions, greater operational efficiency, enhanced security, and a faster and far superior customer service. Thanks to Project Rainbow, DTOS is better prepared to meet its business objectives and compete in today's digital world.

Results

Monthly gain of 5 man-days for the processing of timesheet

Shorter lead time for the generation of invoices

Enhanced risk assessment & better ongoing monitoring

Dashboard & BI capabilities

Automatic ongoing screening of our clients

Logidis: Passenger Management System

Logidis offers Passenger services amongst its Transport and Mobility services. It puts a fleet of approximately 500 minibuses, coaches and buses at the disposal of businesses, catering to the transport of their employees from one specific pick-up point to an agreed destination. Logidis' people mobility business has been growing steadily since 2005. Today, it manages the transport of no less than 12,000 daily passengers.

Until recently, the transport planning and routing of these 12,000 passengers was carried out manually: invoices were issued in physical copies, and the driver and passenger were made to sign hard copy vouchers. These manual entries were leading to erroneous invoices, a tremendous amount of time spent on billing, disputes over billing, delays in trips and overall inefficient transport management. To manage the growing volume of passengers, and address the needs of all stakeholders involved, a more efficient system was required.

Logidis collaborated with UK solutions provider to develop a Passenger Management System that would significantly improve route planning, vehicle tracking and invoicing. Feedback was collected from the various stakeholders to gain insights into their specific pain points, and the platform was built taking all their inputs into account. Launched in 2022, Logidis' Passenger Management System facilitates the seamless planning, tracking and managing of routes by centralising information on one single platform, and communicating booking information to all parties automatically.

Benefits are reaped by all stakeholders:

Logidis: real-time visibility into the vehicle's GPS location and driver performance, leading to optimised routing and improved efficiency of its fleet

Corporate customer: a self-service portal providing an overview of all trips made, invoices history and charges applied. Additionally, routes are built automatically, and in accordance with the customer's requirements

Driver: a mobile app to view the itinerary in real time and communicate directly with passengers and the internal operator

Passenger: a mobile app that provides live GPS location of the vehicle, arrival/departure times, delays and billing information in real time.

Since the implementation of the system, payments have been more timely, trip planning has shortened, and there is increased trust between the customer, passenger and driver.

Results

Greater operational efficiency: trip planning effort reduced by 65% and billing effort reduced by 50%



Increased business growth, expected to translate into a 5% increase in revenues



Lateness reduced by 50%

Reduced carbon footprint owing to optimised routes



STAKEHOLDER ENGAGEMENT



At IBL, quality relationships with all our stakeholders are central to who we are and to our success. We consider a stakeholder to be any internal or external individual, group or entity who may impact or be impacted by the outcomes of our actions. We engage in constructive dialogue with them to understand their different perspectives and gain insights into changing market trends. Their input guides the group's decision-making and helps us seek opportunities that create shared value.

Our key stakeholders	Why we engage with them
 IBL team members	Our people possess the skills, experience and knowledge that allow us to meet customer expectations, deliver on our strategy, and support our social engagement.
 Clients and customers	Our clients and customers purchase the products and services that grow our brands and drive revenue growth.



Key expectations	Our response in FY2022	Engagement channel
<ul style="list-style-type: none">• A fair, diverse and inclusive work environment• Mental health support and wellbeing at work• Job security• Opportunities for personal development, career progression and mobility• Involvement in decisions regarding the group's activities, strategy and sustainability• Fair remuneration, performance-based rewards and recognition• Ethical labour practices• Environmental and social commitments• To be active participants in social support activities	<ul style="list-style-type: none">• Continued implementation of health and safety best practices• Opportunities for remote working (wherever applicable) and flexible work arrangements for a better work-life balance• Wellness activities (including a Wellness Week), medical screenings and access to a psychologist• Continued commitment to providing an excellent employee experience• Offered internal and regional mobility opportunities• Carried out 'La Fresque du Climat' with sustainability champions• Through the 'IBL On the Move' annual event, funds were raised and the public mobilised to support the Centre d'Amitié in Bambous• Group companies and their employees volunteered in the Health project in Bois Marchand, and helped to paint the pre-primary school <p> Human capital page 84 Sustainability page 66</p>	<ul style="list-style-type: none">• IBL Together• People Online Platform• Corporate events and team building events• Online collaborative platforms (Teams, WhatsApp, etc)• Fundraising through IBL On The Move• Fondation Joseph Lagesse (donations)
<ul style="list-style-type: none">• Innovative and high-quality products and services that reflect changing customer needs• Enhanced safety and health protocols• Excellent client service, including prompt issue resolution• Secure and convenient digital offerings that protect client privacy and data• Transparent communication regarding group activities and social involvement and decisions that affect clients• Loyalty rewards• Responsible environmental and social practices	<ul style="list-style-type: none">• Ongoing precautionary measures to safeguard the health and safety of our clients• Improvement of existing e-commerce models and mobile apps to cater to increased demand for digital services• Data protection and cybersecurity training sessions• Consolidated group Sustainability strategy <p> Technology & Transformation page 90 Sustainability page 66</p>	<ul style="list-style-type: none">• IBL website• Social media platforms• Customer feedback surveys• Press releases• Wiiv channels



STAKEHOLDER ENGAGEMENT

Our key stakeholders	Why we engage with them
<div></div> <div>Investors and shareholders</div>	<p>Our shareholders and investors provide the necessary funding for us to carry out our activities and maintain our financial resilience.</p>
<div></div> <div>Government, regulatory and institutional bodies</div>	<p>Regulators and institutions provide the legal and regulatory framework in which our businesses operate.</p>

Key expectations	Our response in FY2022	Engagement channel
<ul style="list-style-type: none">• Sustained financial returns• Sustainable growth strategy including well-defined risk management and sustainability approaches• Information regarding impact of COVID-19 pandemic on Operations• Economic leadership and awareness of international best practices• Sound corporate governance practices and regulatory compliance• Transparent reporting and disclosures• Regular access to Executive team	<ul style="list-style-type: none">• Ongoing communication about IBL's performance and activities in light of the challenging context• Identification of new risks and management of all risks• Improved reporting on sustainability and non-financial activities• New strategy defined for key growth sectors, including renewable energy and healthcare• Progressed on Beyond Borders strategy• Strengthened risk management with respect to climate change and sustainability <div> Group strategy page 64 Chairman's message page 28 CFO's report page 128</div>	<ul style="list-style-type: none">• Annual General Meeting• Analysts' meetings• Investor roadshows• Press releases• Ad hoc meetings• Annual Integrated Report• Group website• Social media channels
<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 regulations• Opportunities for job creation and socioeconomic development, including via community investment• Contribution to the national tax base	<ul style="list-style-type: none">• Engagement and dialogue with national authorities, including via representation in relevant public-private forums and industry bodies• Granted contributions to national CSR strategy via IBL's Fondation Joseph Lagesse and CSR entities in Operations• Collaboration and input on circular economy initiatives• Support to the Horizon 2024 project through Fondation Joseph Lagesse (in collaboration with the European Union) <div> Sustainability page 66 Corporate governance report page 172 Risk management report page 102 Chairman's message page 28</div>	<ul style="list-style-type: none">• Ad hoc meetings• Road shows• Website

STAKEHOLDER ENGAGEMENT

Our key stakeholders	Why we engage with them
<div><p>Communities, NGOs, vulnerable populations and families</p></div>	<p>Our communities include those who live and work in, and beyond, the vicinity of our operations, as well as society at large. They are valuable partners in Fondation Joseph Lagesse's mission to reduce poverty and inequalities, and hold us accountable as a responsible corporate citizen.</p>
<div><p>Suppliers and business partners</p></div>	<p>Our suppliers and partners underpin our value chain and directly influence our ability to deliver high-quality products and services to our customers.</p>

Key expectations	Our response in FY2022	Engagement channel
<ul style="list-style-type: none">• Support for those most affected by the pandemic• Positive and long-term impact on 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	<ul style="list-style-type: none">• Continued restructuration of Fondation Joseph Lagesse in response to changes in CSR funding• Refinement of CSR strategy to focus on Literacy programme, Empowerment programme and Rapid Response Programme• Continued development of Fondation Joseph Lagesse's research unit to assess impact, target community needs and request funding more effectively• Ongoing programmes to empower and improve outcomes in vulnerable communities• Produced CSR report of activities covering 2018-2020• Developed Entity and cluster Prioritisation Radars within the Logistics cluster• Supported two additional NGOs through IBL On The Move <p> Sustainability page 66</p>	<ul style="list-style-type: none">• Social media channels• Group website• Press releases• IBL on the Move
<ul style="list-style-type: none">• Flexible payment terms and moratoriums in the context of the pandemic• Transparent communication regarding the group and its activities, including information about group tenders• Timely payments and fair terms• Clear and transparent selection criteria• Ethical business practices	<ul style="list-style-type: none">• Engagement and dialogue with suppliers to maintain trust and positive relationships• Transparent tendering and selection processes in each group entity• Ongoing corporate communication via website and press work <p> Corporate governance report page 172</p>	<ul style="list-style-type: none">• IBL's website• Press releases

RISK MANAGEMENT REPORT

1. INTRODUCTION

IBL's risk management function was set up five years ago to drive efficient risk management across the group. Its main objective is to identify and mitigate risks in the pursuit of improved financial results, an enhanced operational performance and, ultimately, the achievement of the group's strategic objectives.

Since its inception, the risk management function has achieved several milestones, each one contributing to improving IBL's risk management maturity, both at the Holding level, and at the operational subsidiary level.

To firmly embed sound risk management practices across the organisation, our approach is based on gaining the buy-in of all tiers of management. To this end, the department engaged with top management across the group and started by aligning objectives:

- We implemented practical tools to assist the group's various businesses through coherent and systematic processes.
- We tailored our approach to be agile and bespoke in a way that our processes create value for different businesses within the group, no matter their industry or sector of activity.

Whilst we can state that we have made progress by delivering on our initial roadmap (described in section 2 below), we seek continuous improvement and have updated our plans to further enhance the risk maturity levels of IBL businesses.

This new plan (as laid out in section 3) aligns with IBL's strategy by considering threats and consequences triggered by recent events, such as the Covid-19 pandemic and the war in Ukraine. Climate change and geopolitical uncertainties rank high on the group's list of major concerns. Our leaders encourage our businesses to be prepared for various events that have the potential to disrupt the way we operate and work. The resilience of our businesses and people is high on our agenda.

2. DELIVERING ON OUR INITIAL RISK MANAGEMENT ROADMAP

This year, we pursued our risk management journey and progressed to 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 a tailored approach for each risk maturity group.· Design of a risk management structure.	<ul style="list-style-type: none">· Preliminary analysis of Group entities and initial classification by risk maturity.· Design of IBL Group risk register.· Design of risk dashboard.· Drafting of a risk management policy and guidelines, in line with the group's risk appetite.	<ul style="list-style-type: none">· Official launch and start of campaigns to raise awareness of IBL's risk management framework.· Buy-in from senior management of IBL.· Identification of Risk Champions.· Implementation of risk management policy and framework.	<ul style="list-style-type: none">· Risk management embedded at the level of senior management and departmental heads.· Automatic linking of risk management to strategic objectives.· Implementation of an 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	Progressing towards Step 5
Risk awareness	<ul style="list-style-type: none">· Publication of RMC Focus, a departmental newsletter dedicated to "risk management and compliance" discipline-related topics.· Sharing on material risk topics with team members and The Executive Team.· Risk Management workshops organised for Directors and The Executive Team.· Risk Management awareness sessions provided to Risk Champions within IBL businesses.
Risk identification and assessment	<ul style="list-style-type: none">· Annual risk assessment for IBL Group Top Risks 2022.· Review of group top risks (including new top risks) with Internal Risk Committee.· Identification of main risks at the Head Office level.· Development of risk registers for several IBL businesses.· Risk assessments performed in additional IBL businesses.· Assessment of risk maturity level for some IBL businesses.
Risk governance and reporting	<ul style="list-style-type: none">· Regular reporting to the Audit & Risk Committee (ARC) of IBL Ltd.· Regular one-to-one meetings with the Chairman of IBL's ARC to discuss risk matters.· Reporting to the Boards of IBL businesses on the advancement of their Enterprise Risk Management Framework.
Risk monitoring	<ul style="list-style-type: none">· Regular meetings with the Internal Risk Committee to brainstorm on specific risk management matters.· Setting up of IBL's Risk Appetite Statements for board approval.· Monitoring of main risks with Risk Champions at the level of IBL businesses.· Setting up of an internal AML/CFT risk map to determine the exposure of IBL businesses.
Control activities	<ul style="list-style-type: none">· Development of an IBL policies and procedures register.· Implementation and review of business continuity plans (where requested).· Control efficiency walkthroughs conducted (where requested).· Compliance audits conducted (where requested).· Contracts audits made (where requested).· Due diligence conducted on stakeholders.· Setting up of a Contract Management guideline for IBL businesses.· Acting as liaison between insurance brokers and IBL businesses for insurance adequacy matters and new insurances.· Other risk management and compliance activities during the year as detailed in section 4 below.







RISK MANAGEMENT REPORT

3. NEXT STAGE OF RISK MANAGEMENT’S EVOLUTION WITHIN IBL

Over the course of the next three years, the risk management function will focus on the four pillars below, which align with IBL’s Beyond Borders strategy, the digital and sustainability agenda at the group level, as well as the development of its People through IBL Academy.

	Extend and adapt our risk management framework to IBL’s East African operations
	Digitalise our risk management processes
	Align our risk management framework with ESG requirements
	Continue to strengthen our risk management maturity through education and training

4. RISK MANAGEMENT & COMPLIANCE ACTIVITIES DURING THE YEAR

Activities undertaken / To the benefit of	IBL Ltd Level	IBL Operations Level
1. Risk Management <ul style="list-style-type: none">Refer to section 2 above (“Delivering on our risk management roadmap”).		
2. Data protection <ul style="list-style-type: none">Assistance to IBL businesses in implementing the Data Protection Compliance programme.IBL Group Data Protection Officer (DPO) forum to share experiences, challenges and lessons learned on data protection matters.Registration of a Data Protection training for data users with the Mauritius Qualification Authority.Training provided to IBL Group DPOs on Data Protection.Training provided to Data Users across IBL businesses to build and embed a data protection mindset.Celebration of World Privacy Day on 28th January to raise awareness of the importance of data privacy.		
3. Business continuity <ul style="list-style-type: none">Finalisation of IBL Ltd Business Continuity Plan.Assistance provided to IBL businesses in compiling/reviewing their Business Continuity Plans.		

Activities undertaken / To the benefit of	IBL Ltd Level	IBL Operations Level
4. Compliance <ul style="list-style-type: none">Compliance Management Policy statement approved by the Audit & Risk Committee of IBL Ltd.Increased awareness on money laundering and terrorist financing risks for IBL businesses (including informative material shared).Assistance provided to relevant IBL businesses to develop their AML/CFT framework.Developed a Compliance Management framework for IBL businesses.Provided support to IBL businesses in addressing compliance gaps and closing audit findings.Provided support to IBL businesses in setting up their policy and procedure governance.Developed Contract Management guidelines to assist IBL businesses in implementing best practices regarding contracts management.		
5. Business Ethics <ul style="list-style-type: none">Finalised the awareness programme regarding the IBL Code of Business Ethics, using videos to explain each behaviour set out in the Code.Celebrated World Ethics Day with an internal communication campaign confirming IBL’s commitment to fight corruption and bribery.Communicated at the Corporate Centre level on whistleblowing procedure and channels through self made comics.Assistance to IBL businesses to set up or review their own Code of Business Ethics.		
6. Risk Governance <ul style="list-style-type: none">Conducted ad-hoc assignments to review and advise on governance aspects for some IBL businesses.		

RISK MANAGEMENT REPORT

5. 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 businesses. We have therefore defined three distinct approaches, adapted to the different risk management maturity levels of IBL's businesses.

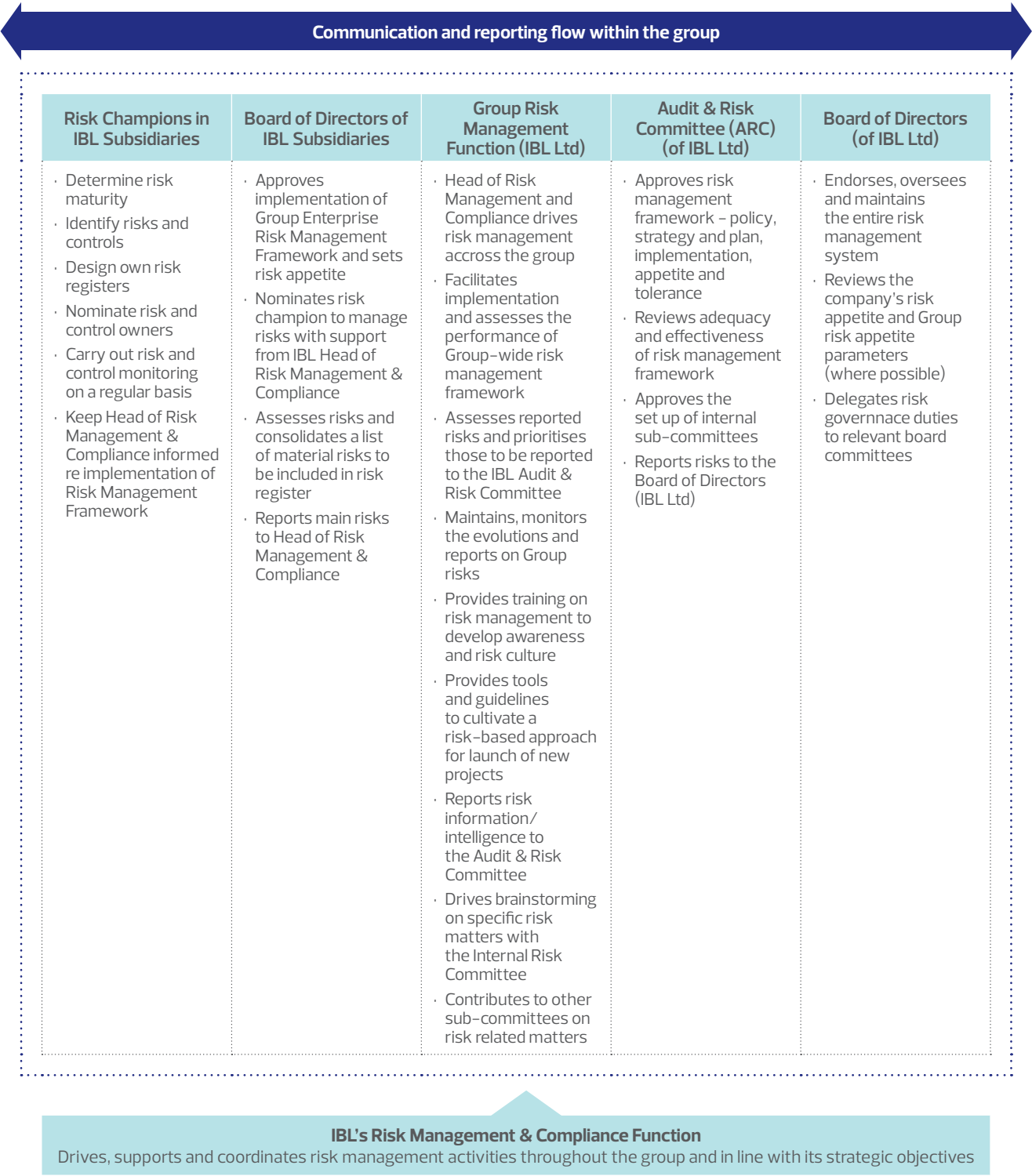
Risk Management Maturity	Risk Management Approach
1. Low Maturity – No risk management function in place and no dedicated risk management resources.	Full risk management support from group. Assistance is provided across the risk management process, from risk identification to risk reporting.
2. Medium 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 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)	
	Identification of risks		Identification of risks		Identification of risks
	Identification of existing controls		Identification of existing controls		Identification of existing controls
	Assessment of risks		Assessment of risks		Assessment of risks
	Improvement plan		Improvement plan		Improvement plan
	Monitoring		Monitoring		Monitoring
	Reporting		Reporting		Reporting

6. RISK GOVERNANCE

Our risk governance framework has been set up to give assurance to the Board that the risk management processes in place are effective.

The diagram below illustrates 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.



RISK MANAGEMENT REPORT

Responsibilities/ Areas of focus	Typical Risk Management 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

7. RISK MANAGEMENT PERFORMANCE

The group's risk management performance can be assessed in several ways. Last year, IBL's Enterprise Risk Management Framework was audited by the internal audit function, and was rated as having "Basic ERM practices in place". Since then, the function has worked to improve its performance through several actions: finalising IBL's risk appetite statement, developing additional risk registers for IBL businesses, conducting risk management training and awareness sessions for IBL leaders, facilitating risk assessments and reporting, communicating, and sharing important risk management matters, and providing guidance on a number of topics related to control environment.

8. 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 by enacting the following measures:

- Delivering on our roadmap and promoting a risk-based culture in IBL businesses
- Adoption of a compliance management policy statement to set the tone
- 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, Business Continuity, Ethics and Governance
- Communicating with key governance players on risk issues
- Cross-sharing with the internal audit function on risk issues
- Building collaboration with identified risk champions at the level of IBL businesses

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 ARC meetings during the year as per the attendance table below:

Meeting Date	Attended
04 August 2021	
08 November 2021	
03 February 2022	
05 May 2022	

The ARC received regular reports from the Head of Risk Management & Compliance to evaluate the efficiency of the risk management framework. To that effect, the Committee was able to consider and monitor matters such as:

- The IBL Group top risks (including strategic, financial, operational and compliance risks);
- Risk trends and emerging risks
- Compliance updates
- Risk management activities
- Review and validation of IBL's Risk Appetite Statements and
- Risk management reporting for IBL's Integrated Report

In addition, the Head of Risk Management & Compliance and the Chairman of the ARC meet on a regular basis to discuss and assess the effectiveness of the group's risk governance, emerging risks and to receive updates on other risk management activities.

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 mainly focused on the following matters during the year:

- Scoping and drafting of IBL's Risk Appetite Statement for Board approval
- Reviewing and updating IBL's Group Top Risks to be assessed this year

IBL's Information Technology Committee

In 2021, the ARC 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 Information Technology risks in line with IBL's risk management framework.

The chairperson of the ITC reports to the ARC on the affairs of the ITC.

Detailed information about IBL's ITFG and the composition of the ITC is provided on pages 90 to 93 and 181 of this integrated report

9. RISK APPETITE STATEMENT

IBL Ltd's Risk Appetite Statement was adopted by the Board of Directors of IBL Ltd on 03 June 2022.

IBL is a conglomerate which holds a portfolio of businesses operating in different geographies and sectors of the economy. The group's current portfolio exposure is mainly concentrated in Mauritius, and its strategy is to extend its diversification in the region, mainly in East Africa, focusing on the Logistics, Health and Energy sectors inter alia.

To achieve its strategic objectives, the Company will have to take a reasonable amount of risks. However, if not properly addressed, these risks have the potential to threaten the Company's key assets (including profits, people, brand and the environment). These risks can also undermine the trust and confidence of IBL's stakeholders which, in turn, could hinder its strategy and, in extreme situations, threaten the sustainability of the Company.

The Board acknowledges that defining one global Risk Appetite Statement, that applies to IBL as well as all its subsidiaries, would not be adequate. Each subsidiary has its own risk profile based on its industry, environment, governance, stakeholders, and thus, a unique risk appetite aligned commensurate with its own strategy. In light of the above, the Board has focused on detailing, clarifying and approving a Risk Appetite Statement for IBL Ltd as a Company, but excluding its individual business units.

IBL's Risk Appetite Statement is a compass that aims to guide the Board and management in their decision-making process. It intends to remind decision makers to take into consideration risk factors when important decisions are called for. The Risk Appetite Statement describes the amount and type of risks that IBL is willing to take to meet its strategic objectives. It also describes certain risks the Company should avoid.

In the event of a strategic or opportunistic reason, an exception to the risk appetite parameters is accepted. Any exception considered, however, will have to be approved by the relevant governance body according to the respective delegation of powers and authorities. Exceptions will be subject to enhanced control and monitoring measures.

IBL's Risk Appetite Statements have been framed around the Company's main risk areas, as outlined below:

- Investment
- Reputational
- Operational
- Financial
- Compliance
- People
- Sustainability

The Board has also agreed to review the Risk Appetite Statement on an annual basis, aiming to align risk-taking with changes to its risk universe.

RISK MANAGEMENT REPORT

Risk Areas		Risk Appetite Statements
Investment	Strategy	<ul style="list-style-type: none">IBL's investment strategy is to hold a portfolio of investments in companies in which it can generally act as an anchor partner and create sustainable value for all its stakeholders over the long term. To that effect, IBL has a long-term investment horizon with no predefined exit strategy in mind.In pursuing its investment strategy, IBL will, on the local front, preserve its core Mauritian investments and, on the international front, expand its reach in the region, mainly in East Africa, by investing in businesses where its subsidiaries have world-class expertise and in fast-growing sectors such as Health, Energy and Technology.IBL reckons that investments are risky in nature and that risk exposure varies according to the sector and/or geography. On a project basis, IBL will allocate a budget for investment in start-ups and R&D.IBL will avoid investing in countries demonstrating high geopolitical risk. It will also avoid investing in countries and businesses where policies and practices are contrary to IBL's values and governance principles, including Environmental, Social and Governance (ESG) goals.IBL may resort to arbitrage to finance its strategic opportunities. For example, it may do so by deciding to disinvest from mature investments, from investments that no longer fit its strategy or from investments that are no longer aligned with its ESG commitments.
	Execution	<ul style="list-style-type: none">In executing its investment strategy, IBL will aim to ensure that its investment portfolio remains sufficiently diversified across growth industry sectors and chosen geographies.IBL will generally seek to acquire a controlling stake in a business ("path to control"). However, depending on its size or sector, IBL will be open to acquiring an initial minority stake alongside a trusted partner (some of whom may be looking for "a path to exit") with the possibility to build up its shareholding to a controlling position at a later stage.Capital investments in greenfield projects will not be substantial, except for innovative and/or opportunistic projects in collaboration with strong and skilled partners in specific growth industries.New investments and projects are executed with due regard to value-added ESG inputs.IBL will draw on best practices and its own lessons learned from past experiences, and will apply strict guidelines on all Mergers & Acquisitions (M&A) evaluations and potential transactions. When a potential M&A transaction materialises, appropriate procedures must be laid out to ensure that the transaction is executed in the most efficient manner. In the event of a new acquisition, IBL will adopt and set up a clear transition approach for post-merger integration.
	Management & Governance	<ul style="list-style-type: none">IBL is committed to standing as a trusted partner for its stakeholders.IBL is committed to ensuring strong governance practices across its portfolio, in line with best corporate governance practices.The Board of IBL is committed to including members of excellent reputation, integrity and competence to drive its strategy, and to applying a stringent process for the selection of Directors.IBL's representatives, who act as Directors on the Boards of subsidiaries and associates, will always be members of excellent reputation, integrity and competence.The Boards of IBL and its subsidiaries and associates will perform regular Board and Director evaluations to monitor their respective performance in compliance with best corporate governance practices.IBL will follow appropriate procedures (including due diligence) to ensure that its strategic and commercial partners are promoting the highest standards of integrity, governance and values.

Risk Areas		Risk Appetite Statements
	Reputational	<ul style="list-style-type: none">IBL enjoys a solid reputation in Mauritius. It considers its brand and the reputation of its people as a key strength towards achieving its objectives.IBL commits to adopting the highest standards of ethics in all of its activities to avoid damaging the strong reputation it has developed amongst its stakeholders.IBL will continuously build, enhance and protect its reputation and brand through transparent communication with all its stakeholders.IBL will continue nurturing and deploying the principles set out in its Code of Business Ethics.
	Operational	<ul style="list-style-type: none">IBL is very concerned by the rising trend of cyber security threats and will continue to invest in top-class cyber security solutions, including user awareness, to consolidate its cyber resilience, as well as the resilience of its investees, to protect its assets and stakeholders.IBL fiercely condemns fraud, corruption and related behaviours and will continue its fight against these plagues. As a key deterrent to these plagues, IBL will encourage whistleblowing and provide all necessary safeguards to protect whistle-blowers.
	Financial	<ul style="list-style-type: none">Funding is key to IBL's expansion and growth. IBL can avail of a range of financing options, such as raising capital from the public or sophisticated investors, or seeking facilities from banking partners. IBL will always select the most suitable financing option for its investment projects.IBL will maintain its gearing at a reasonable level.IBL will avoid speculative investments or operations, and its finances will always be managed in a prudent and responsible manner.
	Compliance	<ul style="list-style-type: none">IBL considers compliance as a key element of its risk management and internal control environments. Hence, IBL will dedicate the necessary resources to embed a strong compliance culture and framework across its portfolio, aiming at always reaching maximum compliance with laws, by-laws, regulations and applicable policies, procedures and standards.IBL will not allow any of its activities to be a channel for money laundering or terrorism financing. IBL is therefore committed to applying Anti-Money Laundering and Combatting the Financing of Terrorism ("AMLCFT") best practices to fight these crimes.
	People	<ul style="list-style-type: none">IBL's people are its most important asset. IBL is dedicated to creating an environment in which its people can thrive and feel fulfilled.IBL will work towards becoming an Employer of Choice, which ensures that its work environment is optimal to safeguard the safety and health of its people, provide opportunities for professional and personal development, and promote diversity, agility, mobility and inclusion across the organisation.IBL will seek to hire the right people in terms of their attitude, skills, competence and agility, and build high performing teams.
	Sustainability	<ul style="list-style-type: none">IBL is committed to acting as a responsible corporate citizen. IBL will thus apply ESG and ethical principles in its decision-making process and strategic initiatives.IBL's sustainability objectives are geared towards contributing to society, sustainable solutions and responsible actions.IBL will strive to always improve the ecological footprint of its activities, assets and people.

RISK MANAGEMENT REPORT

10. HEAT MAP – IBL GROUP TOP 15 RISKS

As in previous years, an annual risk assessment of IBL Group Top Risks was carried out. During a risk rating exercise, a voting panel was tasked with ranking 50 risks. This year's list included six new top risks, out of which five have been ranked within the group's Top 15 risks. The 2022 risk rating is closely related to current local and global macroeconomic trends (see below). Most of our top risks are dependent on 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 (see below).

Factors affecting the risks: External factors are represented in blue and internal factors in white. External factors relate to outside events or conditions, including 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.

Internal Factors

External Factors

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, seven of our top 15 risks have been rated as Medium-High. Other risks 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.

The events below affected the group's risks trends during the year under review.

 Global and local inflation pressures	 Supply chain disruptions	 Effects of global warming
 China border closure	 Currency fluctuations and currency availability	 Governments policies
 War in Ukraine	 Shortage of essential commodities	 Major footstep in East Africa (Naivas)
 Presidential elections in Kenya	 Cyber security threats	 Ongoing effects of pandemic

Heat Map – IBL Group Top 15 risks – Residual Risk Rating



Previous top risks that are no longer among IBL Group Top 15 risks in 2022

Risks	2022 Ranking	2021 Ranking
Pandemic	19	3
Property Sales Performance	17	6
Market concentration	20	10
Climate change transition	18	12
FATF watchlist	Not assessed	14

RISK MANAGEMENT REPORT





GROUP RISKS

The following risks concern the entire IBL Group.

Rank	Risk	Description	Factors Impacting Risks
2	Forex fluctuations	Adverse fluctuations in principal currencies and the MUR, impacting revenues from our import/export operations, and potentially negatively affecting the price of products and services, causing a decline in competitiveness.	
3	Geopolitical conflicts (East Europe)	Lasting war in Ukraine and Western sanctions against Russia with spill-over effects on the price volatility of certain commodities, increasing cyber-attacks, and disruption in energy supplies, indirectly impacting the performance of the IBL Group.	
4	Market conditions	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 a partial or complete halt of commercial activities.	
5	Supply chain	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.	





Mitigating Measures	Main Capitals Impacted	Link to Group-level Strategy
<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">Geographical diversification of the group.The group has no material, direct or indirect, financial or operational exposure to Russia or Ukraine.Constant monitoring of current macroeconomic and geopolitical events and the potential impact with respect to our growth strategies and key stakeholders.Constant monitoring of cyber security threats (as a possible consequence of the war).Measures included in the National Budget 2022/23 are expected to help contain the ripple economic effects of the war in Ukraine.Improvement in operational efficiency and productivity of businesses, as well as stringent cash flow management, to help navigate the uncertainties of the current global context.	 	
<ul style="list-style-type: none">Group Forex conversion policy. IBL promotes the sale of foreign currencies by Group Forex sellers, ensuring that Forex buyers are able to purchase foreign currencies from the group.Negotiation of extended payment terms with foreign suppliers.Strict management of cash flows and forecasts.Encouraged clients to open and use new bank accounts and facilities, such as overdraft and import loans.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">Increase in "month stockholding" for critical/popular items based on supplier lead time.Change in mode of shipment for certain suppliers and products.Prudent approach to calculating orders.Pre-booking of space with shipping lines.Constant monitoring of stock levels and top orders raised as necessary.Constant monitoring of the global situation.Close collaboration between supply chain and category teams to efficiently manage potential panic- buying situations.More frequent reviews of sales forecasts.Development of solid network of supply chain players.More rigorous supply chain and stock management processes in place within some companies.Measures from National Budget 2022/23 (i.e. chartering of two regional feeder vessels / boosting of local production) are expected to yield positive results.Resumption of service to Port Louis from Pacific International Airlines.	 	

RISK MANAGEMENT REPORT

Rank	Risk	Description	Factors Impacting Risks
7	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.	
8	Global stagflation threat	Lasting near-zero or slow global growth, combined with high inflation, adversely impacting people's wealth, and in particular High Net Worth Individuals resulting in the declined performance of key local industries such as Hospitality, Financial Services and Real Estate in which IBL Group operates.	
9	Sustainability of National Debt	Growing national debt leading to political, financial and fiscal crises adversely impacting the IBL Group as a whole.	
10	Climate Change (Physical)	Climate change resulting in more extreme weather events, extreme temperatures, droughts, fires, destruction, floods, resource scarcity, famine, species loss, among other impacts, and brand damage for those contributing negatively to the crisis, leading to direct adverse effects on our people, assets and operations.	

Mitigating Measures	Main Capitals Impacted	Link to Group-level Strategy
<ul style="list-style-type: none">Implementation of IT Governance Framework for the IBL Group.Carried out Technology Maturity Assessment based on Technology Governance Framework to have clear visibility on the group-wide maturity.IT Committee in place.Cyber/IT security strategy developed for IBL Ltd.Undertook due diligence and security assessments of external vendors/service providers.Support of cybersecurity expertise to help build the group's cybersecurity capability.Financial resources deployed to enhance IT security.Bi-monthly COO Forum to share cybersecurity updates and initiatives.Pursued the implementation of IT Security policies throughout the group.Approval of the Cybersecurity Incident Management Policy and Cybersecurity Incident Response Procedure by the group IT Committee.Review of IT security solutions for the group.Embedded security in technology projects.Refreshed and strengthened awareness of security best practices and IT security risks at all levels within the organisation (continuous exercise).	  	  
<ul style="list-style-type: none">Geographical diversification of the group.Tapping into new growth markets.Constant monitoring of current macroeconomic and geopolitical events and the potential impact with respect to our growth strategies and key stakeholders.Growth measures in National Budget 22/23 are expected to (i) improve the country's self-sustainability through food security (and reduce dependency on imports) (ii) boost the green economy; and (iii) charter of two regional feeder vessels.	 	  
<ul style="list-style-type: none">Geographical diversification of the group.Improvement of operational efficiency and productivity of businesses, as well as stringent cash flow management, to help navigate the uncertainties of the current global context.Measures in National Budget 22/23 expected to aid towards building resilience in the country's economy and public finances(i.e. through the reduction of public sector debt).	 	  
<ul style="list-style-type: none">Disaster recovery plans to limit impacts.Execution of drainage masterplan in some companies.Cyclone and flash flood procedures in place.Insurance policies to cover operational losses caused by natural catastrophes (rainfall, cyclones and droughts).Remote working capabilities.	  	  

RISK MANAGEMENT REPORT

Rank	Risk	Description	Factors Impacting Risks
11	Country attractiveness	Mauritius' lack of attractiveness to our traditional markets and the 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.	
13	National government policies	Unfavourable Government policy decisions impacting the group's strategy and performance in Mauritius, and deterring foreign direct investments towards sectors in which the group has invested.	
14	Air connectivity	The incapacity of Mauritius' air connectivity strategy to maintain a sustainable flow of travellers, support the promotion of the destination, and help in the recovery of impacted business sectors.	
15	Debt crises (large economies)	Corporate and/or public finances overwhelmed by debt accumulation and/or debt servicing in large economies, resulting in mass bankruptcies, defaults, insolvency, liquidity crises or sovereign debt crises impacting the Mauritian economy as well as IBL businesses which are closely dependent on these large economies.	

Mitigating Measures	Main Capitals Impacted	Link to Group-level Strategy
<ul style="list-style-type: none">• IBL Group and its companies are trustworthy and longstanding partners to strong international brands of good repute present in Mauritius.• Successful exit from FATF grey list and EU/UK blacklists, reinforcing our credibility as a reputed International Financial Centre.• New marketing strategy to continue promoting the destination (as outlined in the Budget 2022/23 initiatives).• Participation in Government-led sustainability initiatives.• Implementation of strategic expansion plan abroad.• Promotion of R&D, Health, Renewable Energy s as new development sectors.• Lifting of remaining sanitary restrictions as from 01 July 2022.	 	  
<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 the group's presence in key private sector representative bodies, and increase in representation to assist in decision- and policy-making by the 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.	  	  
<ul style="list-style-type: none">• Working with authorities via hotelier associations in the countries in which we operate.• Implementation of strategic expansion plan abroad.• Continued diversification of the group's portfolio.• New airlines serving Mauritius, improving our accessibility.• The group's diverse geographical presence acts as a hedge against over-dependence on any one airline (hospitality).	 	  
<ul style="list-style-type: none">• Geographical diversification of the group.• Tapping into new markets to reduce dependency on major traditional markets.• Constant monitoring of current macroeconomic and geopolitical events, and the potential impact with respect to our growth strategies and key stakeholders.• Improvement in operational efficiency and productivity of businesses. as well as stringent cash flow management to help navigate the uncertainties of the current global context.• Measures in National Budget 22/23 aimed at reducing national debt.	 	  

RISK MANAGEMENT REPORT


CLUSTER RISKS

The following were identified as Top Risks for specific IBL clusters.

Rank	Risk	Description	Factors Impacting Risks
1	Volatility of commodities price	Volatility in the price of commodities (including raw materials), impacting margins and performance worsened by possible shortages in view of disruptions in the supply chain.	
6	Sustainability of tuna stocks	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.	

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.· Use of controlled pricing mechanisms when entering into construction contracts (Property).· The National Budget 2022/23 includes measures taken to further control price hikes (subsidise essential products), provide subsidies to support the purchasing power of the population and promote higher levels of self sufficiency.	<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.· Launched Sustainable Tuna Association.· Concluded partnership agreement with the EU for seafood: 0% duty on exports / quota-free.· Maintained good relationship with MEXA / Ministry of fisheries and ministry of Foreign affairs.	<ul style="list-style-type: none">· Seafood	 	

RISK MANAGEMENT REPORT

Rank	Risk	Description	Factors Impacting Risks
12	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 pandemic on the performance of the hotel industry and related industries.	

Mitigating Measures	Main Cluster/s impacted	Main Capitals Impacted	Link to Group-level Strategy
<ul style="list-style-type: none">· Nearing the end of the pandemic during the year under review (decreasing numbers of Covid-19 cases).· Continued international expansion with new hotel management contracts.· Diversification of revenues by billing in various foreign currencies (USD / EUR / GBP).· Successful opening of LUX* Grand Baie and signature of deeds of sale for IHS units.· Development of innovative packages/themes to adapt to changing trends of tourists, as well as to attract residents when tourists arrival rate is low.· Lux Le Morne certified as Platinum ECOsmart venue.· Full resumption of operations.· Stringent cash flow management measures.· Joint Public-Private working group on the tourism sector.· Support from the Mauritius Investment Corporation and other government schemes, including the Wage Assistance Scheme.· Encouraging signs of accelerating vaccine rollouts around the world. including in our target markets, and lifting of travel restrictions.· Reopening of the South African and Reunion Island markets, boosting arrivals.· 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.· The National Budget 2022/2023 included additional measures to support recovery of the tourism sector, promote Mauritius as a destination of choice, tap into new markets and support hotel refurbishment. A 10-year blueprint will be prepared for the future of the sector.· Improved air access and number flights to and from target markets.· Lifting of remaining sanitary restrictions as from 01 July 2022.	<ul style="list-style-type: none">· Hospitality & Services· Commercial & Distribution· Logistics	