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# Risk Management Report

## 1. Introduction

This year, we saw a stable recovery of the economy across the world despite the geopolitical and economic challenges resulting from the pandemic's ripple effects, compounded with the continued war in Ukraine. Global economic indicators are showing a positive trend and industries are back to their pre-Covid performance.

Similarly, IBL's performance has followed this upward trend as the Group stood strong in the face of headwinds and accelerated the implementation of its Beyond Borders strategy.





Set against this context, the risk management function is playing an active role in the Group's strategy by strengthening its support to IBL's overseas investments. To that effect, we are collaborating closely with our East African office to explore how best to adapt our risk management framework and governance to the needs of our foreign operations.

IBL's continued international expansion will reduce the Group's concentration risk in Mauritius and bring greater resilience. That said, it requires that we systematically include the assessment of geopolitical, currency, country and climate risks within our decision-making process.

Alongside the above, Artificial Intelligence (AI) and Sustainability are also topical themes for the Group and will be trending higher and higher on the risk management agenda for the years to come.







## 2. Our Four Pillars of Focus

The risk management function is focusing on the four pillars below, which align with IBL's Beyond Borders strategy, the digital and sustainability agenda at Group level, as well as the development of its People through the IBL Academy.

	<p><b>Extend and adapt our risk management framework to foreign operations by:</b></p> <ul style="list-style-type: none"> <li>Developing a tailored approach to support foreign Operations to ensure alignment with Group governance standards</li> </ul>
	<p><b>Digitalise our risk management processes by:</b></p> <ul style="list-style-type: none"> <li>Considering Artificial Intelligence as an efficient solution to support risk management and compliance activities across the Group</li> </ul>
	<p><b>Align our risk management processes with sustainability requirements by:</b></p> <ul style="list-style-type: none"> <li>Collaborating closely with IBL's sustainability function so that risk management supports sustainability initiatives and responses to climate change and climate-related risks</li> </ul>
	<p><b>Continue to strengthen our risk management maturity through education and training by:</b></p> <ul style="list-style-type: none"> <li>Adapting our risk management and compliance services to the needs of IBL by growing capabilities and expertise within the Group</li> </ul>

## 3. Risk Management Activities during the Year

The below table provides an overview of the risk management, compliance and ethics activities during the year.

Activities undertaken	To the benefit of	IBL Ltd	IBL Operations
<p><b>1. Risk Management</b></p> <ul style="list-style-type: none"> <li>Development of risk registers across IBL businesses</li> <li>Review of risk appetite statements</li> <li>Workshops on specific risk matters</li> <li>Risk discussions prompted in all relevant forums across the Group</li> <li>Facilitation of risk assessments exercises</li> <li>Update of IBL Group Top Risks and controls</li> <li>Identification of emerging risks</li> <li>Annual assessment of IBL Group Top Risks</li> <li>Discussions on specific risk aspects at Internal Risk Committee level</li> <li>Reporting on risk matters to Chairman of IBL Audit and Risk Committee (ARC) and at ARC level</li> <li>Review of and provision of advice on risk governance models for IBL businesses</li> <li>Development of a risk governance approach for overseas subsidiaries</li> <li>Oversight of Group insurances/specific insurances and review of insurance adequacy</li> </ul>			
<p><b>2. Data protection</b></p> <ul style="list-style-type: none"> <li>Assistance to IBL businesses in the implementation of the Data Protection Compliance programme</li> <li>IBL Group Data Protection Officer (DPO) forum to share experiences, challenges and lessons learned on data protection</li> <li>Training provided to IBL Group DPOs on Data Protection</li> <li>Training provided to Data Users across IBL businesses to build and embed a data protection mindset</li> <li>Celebration of World Privacy Day on 28th January to raise awareness of the importance of data privacy</li> <li>Development of data protection support to East African businesses</li> </ul>			
<p><b>3. Business continuity</b></p> <ul style="list-style-type: none"> <li>Business continuity workshops</li> <li>Testing of Business Continuity Plan</li> <li>Digitalisation of Business Continuity Plan (concept stage)</li> <li>Assistance provided to IBL businesses in compiling/reviewing their Business Continuity Plans</li> <li>Business continuity communication (Together Magazine)</li> </ul>			

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Activities undertaken	To the benefit of	IBL Ltd	IBL Operations
<b>4. Compliance</b> <ul style="list-style-type: none"> <li>Strengthening of IBL's compliance management framework and development of similar framework for IBL businesses</li> <li>Support and assistance provided to IBL businesses in addressing compliance gaps and closing audit findings</li> <li>Assistance provided to IBL businesses in drafting and implementing specific policies</li> <li>Review of IBL Travel Management Policy to align with ISO 33010</li> <li>Special assignments in certain IBL businesses to formalise and strengthen specific controls</li> <li>Training provided on compliance management discipline</li> <li>Development of compliance support approach to East African businesses</li> </ul>		✓	✓
<b>5. Business Ethics</b> <ul style="list-style-type: none"> <li>Assistance to IBL businesses to set up or review their own Code of Business Ethics</li> <li>Provision of advice on specific ethical questions</li> <li>Close collaboration with Transparency Mauritius to strengthen anti-corruption and whistleblowing frameworks</li> </ul>		✓	✓

## 4. Our Risk Management Approach

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

Risk Management Maturity Level	Maturity Level Description	Risk Management Approach
<b>Low</b>	No risk management function in place and no dedicated risk management resources	Full risk management support from Group function. Assistance is provided across the risk management process from risk identification to risk reporting: <ul style="list-style-type: none"> <li>Identification of risks</li> <li>Identification of existing controls</li> <li>Assessment of risks</li> <li>Improvement plan</li> <li>Monitoring</li> <li>Reporting</li> </ul>
<b>Medium</b>	Basic risk management structure in place. Risks are identified and discussed, mostly at an operational level, but not systematically reported to the entity's Board or to the Group.	Partial risk management support focused on closing the key gaps in the risk management process: <ul style="list-style-type: none"> <li>Identification of existing controls</li> <li>Assessment of risks</li> <li>Improvement plan</li> <li>Monitoring</li> <li>Reporting</li> </ul>
<b>High</b>	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 Group. Focus is on monitoring the completeness of the management of risks and ensuring appropriate risk reporting at Group level: <ul style="list-style-type: none"> <li>Monitoring</li> <li>Reporting</li> </ul>

## 5. Risk Governance

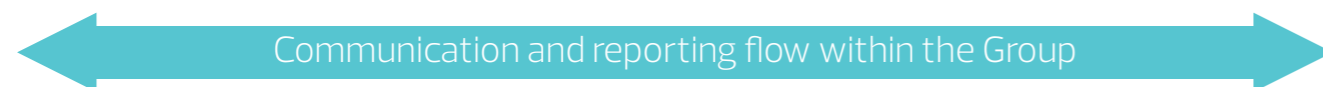
Our risk governance framework has been set up to provide assurance to the Board that the risk management processes in place are effective.

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 maturities and governance levels of IBL subsidiaries. Furthermore, the risk management structure must also adjust to differing regulatory and legal requirements applicable to IBL subsidiaries, locally and abroad.

**Central to our risk governance framework, is IBL's risk management function, which drives, supports and coordinates risk management activities across the Group in line with its strategic objectives.**

# Risk Management Report

Risk Champions in IBL Subsidiaries	Board of Directors of IBL Subsidiaries	Group Risk Management function at IBL Ltd	Audit & Risk Committee of IBL Ltd	Board of Directors of IBL Ltd
<ul style="list-style-type: none"> <li>Determine risk maturity</li> <li>Identify risks and controls</li> <li>Design own risk registers</li> <li>Nominate risk and control owners</li> <li>Carry out risks and controls monitoring on a regular basis</li> <li>Keep Group Risk Management function informed on implementation of Risk Management Framework (RMF)</li> </ul>	<ul style="list-style-type: none"> <li>Approves implementation of Group RMF and sets risk appetite</li> <li>Nominates risk champion to manage risks with support from Group Risk Management function</li> <li>Assesses risks and consolidates a list of material risks to be included in the risk register</li> <li>Reports main risks to Group Risk Management function</li> </ul>	<ul style="list-style-type: none"> <li>Drives Risk Management across the Group</li> <li>Facilitates implementation and assesses the performance of Group-wide RMF</li> <li>Assesses reported risks and prioritises those to be reported to the Audit &amp; Risk Committee of IBL Ltd (ARC)</li> <li>Maintains, monitors the evolutions and reports on Group risks</li> <li>Provides training on Risk Management to develop awareness and risk culture</li> <li>Provides tools and guidelines to cultivate risk-based approach for launch of new projects</li> <li>Reports risk information/intelligence to the ARC</li> <li>Drives brainstorming on specific risk matters with Internal Risk Committee</li> <li>Contributes to other sub-committees on risk related matters</li> </ul>	<ul style="list-style-type: none"> <li>Approves the risk management framework, policy, strategy and plan, implementation, appetite and tolerance</li> <li>Reviews the adequacy and effectiveness of the risk management framework</li> <li>Approves the setting-up of internal sub-committees</li> <li>Reports risks to the Board of Directors of IBL Ltd</li> </ul>	<ul style="list-style-type: none"> <li>Endorses, oversees and maintains the entire risk management system</li> <li>Reviews the Company's risk appetite and Group's risk appetite parameters (where relevant)</li> <li>Delegates risk governance duties to relevant board committees</li> </ul>



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

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

## 6. Risk Management Performance

The activities and deliveries of the risk management function aim at continuously improving its performance through several actions, such as: (i) assisting IBL businesses in developing their risk appetite statement, as well as developing and updating their risk registers; (ii) conducting risk management training and awareness sessions for IBL leaders and risk champions; (iii) facilitating risk assessments and reporting, communicating, and sharing important risk management matters, and (iv) providing guidance on a number of topics related to the control environment of each IBL businesses.

## 7. Our Control Environment

The risk management function forms part of the second line of defence within IBL's control environment.

IBL's Combined Assurance on Risks		
1 1 <sup>st</sup> Line of Defence	2 2 <sup>nd</sup> Line of Defence	3 3 <sup>rd</sup> Line of Defence
People management, internal processes and technology	Oversight functions such as risk management, compliance and safety & health	Internal & External Audits

# Risk Management Report

During this financial year, we continued to strengthen our control environment as detailed in sections 2 and 3 above.

The Head of Risk Management & Compliance attended one IBL Audit & Risk Committee (ARC) meeting held on 09 August 2022, which was specifically dedicated to risk matters. During this meeting, the committee was able to consider matters such as:

- Review and approval of the Risk Management Report for IBL's Integrated Report 2021/22
- Risk dashboard
- IBL Group and Cluster top risks
- East African risk factors and
- Emerging risks.

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 management framework and governance, emerging risks and to receive updates on other risk management activities.

## 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 <sup>1</sup>	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:

- Discussing on Emerging Risks
- Reviewing current insurances and discussing on new insurances
- Reviewing and updating IBL's Group Top Risks for this year
- Reviewing and refreshing the risk assessment methodology

## 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 ITGF and the composition of the ITC are provided on page 180 of this Integrated Report.

[1] Until 30 June 2023

## 8. Risk Appetite Statement of IBL

IBL is a conglomerate that holds a portfolio of businesses operating in different geographies and sectors of the economy.

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

The Company's current portfolio exposure is mainly concentrated in Mauritius, which has prompted it to pursue its strategy to extend its diversification in the region, mainly in East Africa, focusing on the Retail, 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.

IBL's Risk Appetite Statement serves as 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 that 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

This Risk Appetite Statement, adopted by the Board of Directors of IBL Ltd in 2022, was reviewed this year.

# Risk Management Report

Risk Areas		Risk Appetite Statements
Investment	Strategy	<ul style="list-style-type: none"> <li>· 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.</li> <li>· 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.</li> <li>· 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&amp;D.</li> <li>· 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.</li> <li>· 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.</li> </ul>
	Execution	<ul style="list-style-type: none"> <li>· In executing its investment strategy, IBL will aim to ensure that its investment portfolio remains sufficiently diversified across growth industry sectors and chosen geographies.</li> <li>· 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 building up its shareholding to a controlling position at a later stage.</li> <li>· 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.</li> <li>· New investments and projects are executed with due regard to value-added ESG inputs.</li> <li>· IBL will draw on best practices and its own lessons learned from past experiences and will apply strict guidelines on all Mergers &amp; Acquisitions (M&amp;A) evaluations and potential transactions. When a potential M&amp;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.</li> </ul>
	Management & Governance	<ul style="list-style-type: none"> <li>· IBL is committed to standing as a trusted partner for its stakeholders.</li> <li>· IBL is committed to ensuring strong governance practices across its portfolio, in line with best corporate governance practices.</li> <li>· The Board of IBL is committed to including members of excellent repute, integrity and competence to drive its strategy, and to applying a stringent process in the selection of Directors.</li> <li>· IBL's representatives, who act as Directors on the Boards of subsidiaries and associates, will always be members of excellent repute, integrity and competence.</li> <li>· 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.</li> <li>· 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.</li> </ul>

Risk Areas		Risk Appetite Statements
Reputational		<ul style="list-style-type: none"> <li>· 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.</li> <li>· IBL commits to adopting the highest standards of ethics in all its activities to avoid damaging the strong reputation it has developed amongst its stakeholders.</li> <li>· IBL will continuously build, enhance and protect its reputation and brand through transparent communication with all its stakeholders.</li> <li>· IBL will continue nurturing and deploying the principles set out in its Code of Business Ethics.</li> </ul>
Operational		<ul style="list-style-type: none"> <li>· 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.</li> <li>· 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.</li> </ul>
Financial		<ul style="list-style-type: none"> <li>· 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.</li> <li>· IBL will maintain its gearing at a reasonable level.</li> <li>· IBL will avoid speculative investments or operations, and its finances will always be managed in a prudent and responsible manner.</li> </ul>
Compliance		<ul style="list-style-type: none"> <li>· 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 to always reach maximum compliance with laws, by-laws, regulations and applicable policies, procedures and standards.</li> <li>· 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.</li> </ul>
People		<ul style="list-style-type: none"> <li>· IBL's people are its most important asset. IBL is dedicated to creating an environment in which its people can thrive and feel fulfilled.</li> <li>· 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.</li> <li>· IBL will seek to hire the right people in terms of their attitude, skills, competence and agility, and build high-performing teams.</li> </ul>
Sustainability		<ul style="list-style-type: none"> <li>· 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.</li> <li>· IBL's sustainability objectives are geared towards contributing to society, sustainable solutions and responsible actions.</li> <li>· IBL will strive to always improve the ecological footprint of its activities, assets and people.</li> </ul>

# Risk Management Report

## 9. Heat Map – IBL Group Top 15 Risks

As in previous years, IBL Group carried out an annual risk assessment of its top risks during the month of July 2023. During a risk rating exercise, a voting panel was tasked with ranking 32 main risks. These 32 main risks were pre-selected by the Internal Risk Committee out of a list of more than 50 risks. This year's list included one new top risk namely Water Stress, which ranked 10<sup>th</sup> within the Group's Top 15 risks. Most of our top 15 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. These include threats such as the sudden onset of a political crisis or opportunities such as a change in government policy or new partnerships. These risks may be beyond IBL's immediate control but are recognised and managed as far as possible. In contrast, internal factors relate to the adequacy of IBL's organisational policies, capacities, arrangements, resources and other issues.

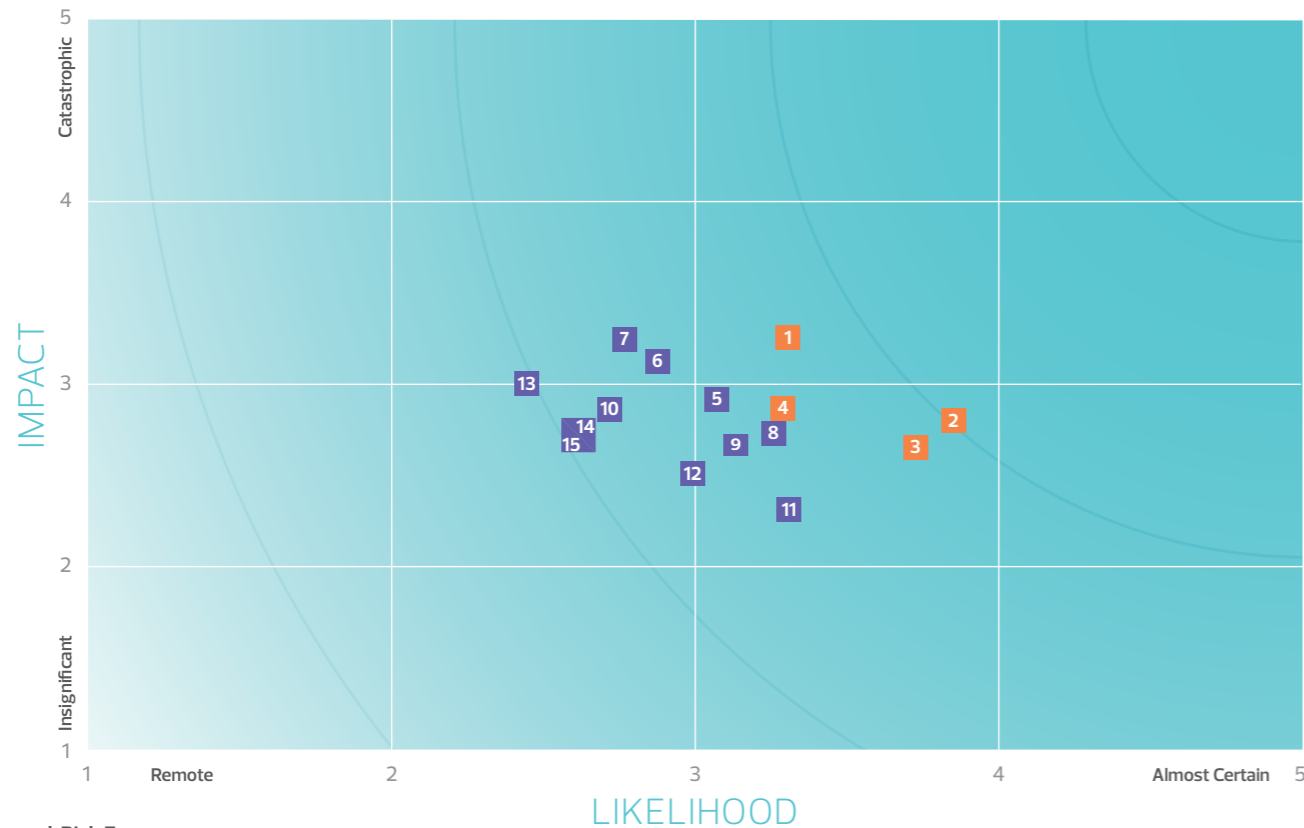
Internal Factors

External Factors

Our top 15 risks are forward-looking. Amongst these risks, some have a short-term horizon because they are related to the current context, (such as risks no. 1, 2 and 3) and others have a longer-term outlook (such as risks no. 4, 5 and 7).

Finally, as shown on the below Heat Map, 4 of our top 15 risks have been rated Medium-High and the remaining have been rated Medium-Low on a residual basis. We have also indicated the risk trends using last year's ranking as a baseline.

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



Legend: Risk Exposure  
■ Medium High ■ Medium Low

Ranking 2023	Risk Title	Risk Exposure	Trend vs 2022
1	Cybersecurity threats	Medium -High	↗
2	Forex fluctuations	Medium -High	→
3	Volatility of commodities price	Medium -High	↘
4	Climate Change (Physical)	Medium -High	↗
5	Climate Change Transition	Medium-Low	↗
6	Talent Management	Medium-Low	↗
7	Sustainability of tuna stocks	Medium-Low	↘
8	Geopolitical instability (East Africa)	Medium-Low	↗
9	Market conditions	Medium-Low	↘
10	Water Stress	Medium-Low	NEW
11	Geopolitical conflicts (East Europe)	Medium-Low	↘
12	Sustainability of National Debt	Medium-Low	↘
13	Capital investments abroad	Medium-Low	↗
14	Country attractiveness	Medium-Low	↘
15	Succession	Medium-Low	↗

### Previous top risks that are no longer among IBL's TOP 15 risks in 2023

Risks	2023 Ranking	2022 Ranking
Supply chain	22	5
Global stagflation threat	18	8
Tourism performance	27	12
National government policies	16	13
Air connectivity	29	14
Debt Crises (large economies)	21	15

# Risk Management Report

## Group Risks

The following risks concern the entire IBL Group.

Rank	Risk	Description	Risk Factors
1	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.	
2	Forex fluctuations	Adverse fluctuations in the principal currencies and the MUR, impacting revenues from our import / export operations, and potentially negatively affecting the price of products and services and causing a decline in competitiveness.	
4	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 and having a direct adverse effect on our people, assets and operations.	

Mitigating measures	Main capital impacted	Link to Group-level Strategy
<ul style="list-style-type: none"> <li>· Ongoing implementation of IT governance framework within IBL Group</li> <li>· Remedial action plan for gaps identified during Technology Maturity Assessment based on Technology Governance Framework</li> <li>· IT Committee in place and reporting to the Audit &amp; Risk Committee</li> <li>· Cyber /IT security strategy developed for IBL Ltd, development in progress in IBL Operations</li> <li>· Due diligence and security assessments of external vendors/service providers undertaken</li> <li>· Support of cybersecurity expertise to help build the Group's cyber security capability</li> <li>· Financial resources deployed to enhance IT security</li> <li>· Bi-monthly COO Forum to share Cyber Security updates &amp; initiatives</li> <li>· Ongoing implementation of IT Security Policies throughout the Group</li> <li>· Implementation of Incident Management Policy and Cybersecurity Incident Response Procedure approved by the Group IT Committee</li> <li>· Evaluation of IT security solutions for the Group</li> <li>· Implementation of an AI-powered antivirus solution within the Group</li> <li>· Cyber footprint analysis carried out for IBL Ltd</li> <li>· Vulnerability Assessments and Penetration Testing exercises undertaken</li> <li>· Embedding security in technology projects</li> <li>· Awareness of security best practices and IT security risks continuously refreshed and strengthened at all levels within the organisation</li> </ul>		
<ul style="list-style-type: none"> <li>· Group Treasury service to assist businesses in assessing and mitigating impact of adverse forex movements</li> <li>· Diversification of activities and income sources worldwide</li> <li>· Group forex conversion policy in place to mitigate a lack of forex on the market</li> <li>· Where applicable, creation of hedging strategies to match budgeted conversion prices while protecting companies (partially or in full) from exposure to foreign currencies</li> </ul>		
<ul style="list-style-type: none"> <li>· Disaster recovery plans to limit impacts</li> <li>· Execution of drainage masterplan in some companies</li> <li>· Cyclone and flash flood procedures in place</li> <li>· Drainage and water accumulation controls in place</li> <li>· Insurance policies to cover operational losses caused by natural catastrophes (rainfall, cyclones and droughts)</li> <li>· Remote working capabilities</li> <li>· National measures taken to mitigate climate change effects (beach protection, landslide and flood management)</li> <li>· Use of more efficient modes of transport</li> <li>· Move to more efficient buildings (LEED Certified)</li> </ul>		



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Rank	Risk	Description	Risk Factors
5	Climate Change Transition	Failure to adapt our activities and take appropriate action regarding climate change events and natural disasters, leading to a shock in demand or supply, a complete stop of operations, the loss of lives and substantial financial losses and damage to assets.	
6	Talent Management	Inability to attract, develop and retain talents to support and deliver on the Group's strategic objectives.	

Mitigating measures	Main capital impacted	Link to Group-level Strategy
<ul style="list-style-type: none"> <li>• Sky Sails agreement (IBL Energy) relating to the installation of an airborne wind energy system on the eastern coast of the island to produce green electricity</li> <li>• Photovoltaic solar projects (LUX* Ile des Deux Cocos, LUX* Properties in the Maldives, Alteo)</li> <li>• Application made to local authorities to install photovoltaics on 32 IBL sites</li> <li>• Use of different / more efficient production and distribution processes</li> <li>• Raising awareness of environmental concerns and commitment to SDGs, with a particular focus on climate change and climate actions</li> <li>• Creation of Group (environmental) Sustainability Policy and development of Group-wide strategy for sustainability and responsible business conduct</li> <li>• Creation of new end-of-life procedures (including recycling, waste and packaging circularity)</li> <li>• Access to new markets through innovation awards</li> <li>• Cyclone and flash flood procedures in place</li> <li>• Insurance policies to cover operational losses caused by natural catastrophes (Hospitality)</li> <li>• Conducted knowledge building workshops and conferences to empower the decision makers in our Group to be actors of change in the climate transition.</li> <li>• Energy Audit conducted across some production sites, in anticipation of full carbon footprint assessments</li> <li>• Increased pricing of CHG emissions, accelerating any CO2e initiative</li> <li>• Commitment to setting a Near term target and a Net Zero target with the Science Based Targets Initiative (SBTI) in an IBL company. This company is also a member of the Business Ambition for 1.5 C campaign (The Lux Collective)</li> <li>• Resource substitutes / diversification</li> <li>• Use of lower-emission sources of energy (e.g. greener laptop batteries)</li> <li>• Shift in consumer preferences</li> <li>• Uncertainty in market signals</li> </ul>		
<ul style="list-style-type: none"> <li>• Competitive remuneration packages aligned with market practice</li> <li>• Great Place To Work (GPTW or any related engagement) initiatives and follow-up/closing the gap actions to develop workplace excellence and a conducive work environment</li> <li>• Development of an engagement strategy to consolidate employer brand</li> <li>• Tailor-made in-house trainings and development plans to develop staff skills and expertise and at the same time cater for the needs of companies (e.g. Bud to boss, FFTJ and MDP)</li> <li>• Ensuring that talent development and management plans are in place across the Group</li> <li>• Deployment of Phase 2 (3-year plan) of the Human Capital strategy strengthening the human capital transformation process</li> <li>• Flexibility concept in place</li> <li>• Set up of remote training sessions</li> <li>• Talent Review Days &amp; Talent Review Committees in place for the IBL Group</li> <li>• Provision of individual executive coaching with external coaches</li> <li>• Consolidation of current IBL Leadership frameworks and IBL Talent Management framework.</li> <li>• Launch of an IBL Academy to deploy a culture of performance and excellence</li> <li>• Revised work permit to facilitate talent attraction</li> </ul>		

# Risk Management Report

Rank	Risk	Description	Risk Factors
8	Geopolitical instability (East Africa)	Political, social and economic instability (including volatility in government policies) in East African countries where IBL intends to grow its activities intensively impacting investments, revenues and people.	
9	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 partial or complete halt of commercial activities.	
11	Geopolitical conflicts (East Europe)	Lasting war in Ukraine and western sanctions against Russia with spillover effects on, for instance, the volatility of price of certain commodities, increasing cyber-attacks, and disruption in energy supplies indirectly impacting the performance of the IBL Group.	
12	Sustainability of National Debt	Growing national debt leading to political, financial and fiscal crises adversely impacting IBL Group as a whole.	

Mitigating measures	Main capital impacted	Link to Group-level Strategy
<ul style="list-style-type: none"> <li>· Diversification of activities in the region</li> <li>· Nurturing of positive relationships with relevant stakeholders and retention of experienced advisors to foresee eventual changes that might negatively affect businesses</li> <li>· Increasing presence on the ground (dedicated office and resource) and improved knowledge of local context and business culture</li> <li>· Monitoring of presence/exit of international financial players (banks, insurance)</li> <li>· Safe travel guidelines defined</li> <li>· No major disruptions following last elections in Kenya (politically stable country)</li> <li>· Country risk assessment framework in place</li> </ul>		
<ul style="list-style-type: none"> <li>· Group forex conversion policy. IBL promotes sales of foreign currencies by Group forex sellers, ensuring that forex buyers can purchase foreign currencies from the Group</li> <li>· Negotiation of extended payment terms with foreign suppliers.</li> <li>· Strict management of cashflows and forecasts</li> <li>· Encourage clients to open and to use new bank accounts and facilities such as overdraft and import loans.</li> <li>· Where applicable, creation of hedging strategies to match budgeted conversion prices while protecting companies (partially or in full) from exposure to foreign currencies.</li> </ul>		
<ul style="list-style-type: none"> <li>· Geographical diversification of the Group</li> <li>· The Group has no material, direct or indirect, financial or operational exposure to Russia or Ukraine</li> <li>· Constant monitoring of current macroeconomic and geopolitical events and the potential impact as regards our growth strategies and key stakeholders</li> <li>· Constant monitoring of cyber security threats (as a possible consequence of the war)</li> <li>· National measures taken to help contain the ripple economic effects of external shocks</li> <li>· Improving operational efficiency and productivity of businesses as well as stringent cash flow management to help navigate the uncertainties of the current global context</li> </ul>		
<ul style="list-style-type: none"> <li>· Geographical diversification of the Group</li> <li>· Improving operational efficiency and productivity of businesses as well as stringent cash flow management to help navigate the uncertainties of the current global context</li> <li>· Measures taken at the national level towards building resilience in the country's economy and public finances i.e. reduction of public sector debt</li> </ul>		

# Risk Management Report

Rank	Risk	Description	Risk Factors
13	Capital investments abroad	Management of significant capital investments in projects abroad.	
14	Country attractiveness	Lack of attractiveness of Mauritius to our traditional markets and global community, impacting key business sectors in which IBL has invested and reducing foreign direct investment and the development of new business relationships and opportunities.	
15	Succession	Unclear succession plan for key executives and management positions within the Group for businesses requiring particular skills and competences.	

Mitigating measures	Main capital impacted	Link to Group-level Strategy
<ul style="list-style-type: none"> <li>Retention of intelligence and learnings from past failures in Africa</li> <li>Strategic committee in place to review investment projects</li> <li>Dedicated IBL East African office and resource in Kenya to identify opportunities within given set investment framework and guidelines</li> <li>COO based in Kenya and responsible for the management of IBL's East African headquarters to support the strategic expansion of IBL in East Africa</li> <li>Well-structured M&amp;A process and experienced team in place</li> <li>Clear and structured approach to allocation of capital to projects and active portfolio management</li> <li>Operational, legal, tax, financial and reputational due diligence on targets and their principals</li> <li>Identification and training or recruitment of talent for new/key project positions</li> <li>Enhanced risk management activities and reporting in the M&amp;A process</li> </ul>		
<ul style="list-style-type: none"> <li>IBL and IBL companies are trustworthy and longstanding partners to strong international brands of good repute present in Mauritius</li> <li>Recognition as a reputed international financial centre</li> <li>New marketing strategy to continue promoting the destination</li> <li>Participation in Government-led sustainability initiatives</li> <li>Implementation of strategic expansion plan abroad</li> <li>Promotion of R&amp;D, health, energy efficiency industries as new development sectors</li> <li>Increase in promotional tours abroad (traditional and new markets)</li> <li>Competitive tax landscape making the country more attractive to investors</li> </ul>		
<ul style="list-style-type: none"> <li>Implementation of a yearly talent review exercise including Business Critical Roles ("BCR") and succession planning</li> <li>Launch of an IBL Academy to identify and to train future-fit talents</li> <li>Progress on mobility and assignments guidelines</li> <li>Competitive packages for high potentials and BCRs</li> </ul>		

# Risk Management Report

## Cluster Risks

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

Rank	Risk	Description	Risk Factors
3	Volatility of commodities price	Volatility in the price of commodities (including raw materials), impacting margins and worsening performance by possible shortages in view of disruptions in the supply chain.	
7	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.	
10	Water Stress	Severe water related challenge/s causing major operational disruptions and thereby undermining the business viability of IBL businesses.	

Mitigating measures	Main Cluster/s impacted	Main capital impacted	Link to Group-level Strategy
<ul style="list-style-type: none"> <li>· Mitigation plan defined, including potential price adjustments and diversification of sources</li> <li>· Development of appropriate hedging mechanisms</li> <li>· Close monitoring of factors that generally affect commodity prices</li> <li>· Focus on local production capacities</li> <li>· Use of controlled pricing mechanisms when entering into construction contracts (property)</li> <li>· National measures in place to further control price hikes (subsidise essential products), provide subsidies to support purchasing power of population and promote higher levels of self sufficiency</li> </ul>	<ul style="list-style-type: none"> <li>· Building &amp; Engineering</li> <li>· Property</li> <li>· Commercial &amp; Distribution</li> <li>· Agro &amp; Energy</li> <li>· Logistics</li> </ul>		
<ul style="list-style-type: none"> <li>· Ongoing lobbying by the Indian Ocean Tuna Commission (IOTC) to pass resolutions enabling the sustainable management of tuna stocks in the Indian Ocean.</li> <li>· Since the creation of the Sustainable Tuna Association in 2022, direct messages are being shared to the Government and public at large, as well as to the EU Commission</li> <li>· Through STA, IBL has a joint aligned position with Princes Tuna (Mauritius) Ltd regarding sustainability and trade negotiations approach.</li> <li>· STA has recruited a consultant based in Brussels to strengthen its lobbying actions.</li> <li>· New management measures and quotas introduced for Bigeye in May 2023.</li> <li>· Controversial measure against purse seiners adopted in February 2023, but in the process of being objected to by affected flag states, including the EU and Seychelles which are the main suppliers.</li> <li>· Increased participation in IOTC Working Groups, Scientific Committee and Commission meetings as part of the Mauritian delegation</li> <li>· Partnership agreement with EU for seafood: 0% duty on exports/quota free</li> <li>· Maintain good relationship with Ministry of Fisheries and Ministry of Foreign Affairs.</li> </ul>	<ul style="list-style-type: none"> <li>· Seafood</li> </ul>		
<ul style="list-style-type: none"> <li>· Use of rainwater harvesting solutions</li> <li>· Use of desalination techniques</li> <li>· Use of water recycling solutions (reusing water for business purposes)</li> <li>· Implementation of a water conservation culture / fighting water leaks</li> </ul>	<ul style="list-style-type: none"> <li>· Agro &amp; Energy</li> <li>· Building &amp; Engineering</li> <li>· Commercial &amp; Distribution</li> <li>· Hospitality &amp; Services</li> <li>· Logistics</li> <li>· Seafood</li> </ul>		