

Capitals



Long-term routes to growth	
Strategic directions	Achievements this year
<p>1 Strengthening IBL's Mauritian core</p>	<ul style="list-style-type: none"> Overall – delivery on strategy's stated objectives Reinforcing market share / deepening presence in key sectors and strategic lines of business, eg: <ul style="list-style-type: none"> Acquisition of Monoprix and opening of new Winners supermarket in Quatre-Bornes to strengthen position in retail segment Increased shareholding in property developer BlueLife, purchase of new hotel La Palmeraie, and optimisation of real estate assets to position Property Cluster for growth Sale of Financial & Other Services businesses including MELCO and ABAX alongside increase in shareholding of LCF Securities among others, to refocus on core lines of business and strengthen presence in key markets such as stockbroking Life: Change of management, strengthening of governance, hiring of two new independent directors and strategic review of activities in partnership with Roland Berger Logistics: Substantial investment in warehousing and IT frameworks
<p>2 Regional expansion into the Indian Ocean & East Africa</p>	<ul style="list-style-type: none"> Creation of Nairobi office and hiring of a business executive to support IBL's expansion in the region Regional acquisitions e.g. Reunion-based Edena in Manufacturing & Processing Cluster Key hires to reinforce businesses' regional performance (e.g. new CEO and Group Finance and Administration manager at CIDP, new CEO at Transmara, new CEO for Lux Island Resorts Ltd and LUX* Hospitality Limited to be announced this year)
<p>3 International expansion anchored in world-class professional expertise</p>	<ul style="list-style-type: none"> Expansion of shareholding in international businesses e.g. hospitality group LUX* Clusters expanding internationally – e.g. Hospitality, Seafood expansion into France + Ivory Coast

Risk categories

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|----------------------------------|--------------------------------------|--|
| 1. Cybersecurity threats | 6. Geopolitical instability | 11. Reputation damage |
| 2. Confidentiality breach | 7. Market concentration | 12. Revenue volatility |
| 3. Foreign exchange fluctuations | 8. Acts of terrorism | 13. Unfavourable government policies |
| 4. Sugar cluster performance | 9. Property sales performance | 14. Misallocation of capital investments |
| 5. Sustainability of tuna | 10. Stringent regulatory environment | 15. Increasing competition |

Next steps	Risk categories	Capitals impacted
<ul style="list-style-type: none"> IBL Corporate Centre to continue to work in close collaboration with businesses' management teams and disseminate best-practice Ongoing execution of strategic roadmap on the part of IBL businesses 	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	
<ul style="list-style-type: none"> Continued regional expansion of IBL businesses e.g. <ul style="list-style-type: none"> Opening of LUX* North Male Atoll in 2018-19 Life Cluster seeking to develop strategic partnerships and enter new markets (e.g. water treatment) locally and regionally 	1 2 3 4 5 6 7 10 11 12 13 14 15	
<ul style="list-style-type: none"> IBL Group to continue to support IBL operations as they expand internationally Clusters to continue to roll out international growth strategies e.g. <ul style="list-style-type: none"> LUX* moving headquarters to Singapore, opening of 6 new LUX* resorts in the Maldives, UAE, Italy, China & Vietnam in the period to 2021 Life recruiting business development executive to build European clientele 	1 2 3 5 6 7 10 11 12 13 14	

Strategic initiatives underpinning IBL's ability to create value long-term	
Strategic directions	Achievements this year
<p>4 Transforming the Corporate Centre</p>	<ul style="list-style-type: none"> Creation of Nairobi office Creation of new Group-level functions including: <ul style="list-style-type: none"> Group Strategic Innovation & Excellence Executive Head of Risk Management, Compliance & Regulatory Affairs – Ethics Officer Group Head of Corporate Services
<p>5 Deploying a Human Capital Strategy at Group-level to identify, attract, develop and retain the right talent for the long term (See full report on p. 66)</p>	<ul style="list-style-type: none"> Stellenbosch Management Development Programmes: > training aimed at group managers Leadership training for women delivered Over 300 values workshops delivered across Corporate Centre and operations Short-term and long-term incentive plans rolled out Total remuneration packages within Corporate Centre reviewed and aligned to market rates Streamlining of job descriptions across Corporate Centre Great Place to Work survey carried out
<p>6 Digitalisation Strategy to improve user experience, work better and more efficiently and take advantage of commercial opportunities online (See full report on p. 70)</p>	<ul style="list-style-type: none"> Roadmap devised in consultation with Wavestone consulting 3-year plan deployed at Group level Appointment of Innovation and Excellence Executive Large number of e-commerce initiatives underway within Clusters
<p>7 Sustainability approach to monitor the Group's SG performance, change mindsets and provide training, and adopt better, more sustainable ways of working (See full report on p. 72)</p>	<ul style="list-style-type: none"> Creation of Group-level sustainability team Assessment of existing sustainability initiatives across the group Creation of a sustainability community with Sustainability Champions that meet regularly to share information and best practice Establishment of a Sustainability Management Structure: steering committee Successful completion of pilot materiality analysis / report at Froid des Mascareignes in the aim of reporting on sustainability using the Global Reporting Initiative (GRI) standards

Next steps	Risk categories	Capitals impacted
<ul style="list-style-type: none"> Hiring of Head of Internal Audit to bring audit function in-house Ongoing efforts to build Group-level oversight of strategy, sustainability and risk management Continued work with operations' management teams as they devise and implement their own policies 	<p>1 2 7 14</p>	
<ul style="list-style-type: none"> At Group level, digitalisation of on-boarding, learning and development platforms and recruitment processes among other Human Capital practices Fine-tuning of personnel evaluation process Selection and implementation of a new Human Capital Information System Launch of new training and development programmes e.g. Leadership Executive Acceleration Programme, aimed at Executives and some high-potential senior managers Create roadmap for improvement based on feedback from Great Place to Work survey 	<p>1 2 4 6 7 8 9 10 14</p>	
<ul style="list-style-type: none"> 466 digital initiatives undertaken across the Group – 139 qualified as essential 27 transformational projects identified and set as priority for the Digital Team 	<p>1 2 9 10</p>	
<ul style="list-style-type: none"> Formalisation of Group-level sustainability policy Monitoring and reporting: <ul style="list-style-type: none"> Roll out of materiality analyses to group businesses and provision of training to encourage them to report on their environmental, social and governance impact based on GRI standards Begin to collect Group-level data based on relevant KPIs in order to report on Sustainable Development Goals / United Nations Global Compact at IBL level Training and awareness-raising: <ul style="list-style-type: none"> Roll out sustainable development e-learning modules and sustainability trainings (SDG 4) Develop sustainable development community / taskforce within IBL, (SDG 17) Continue to raise awareness of sustainability issues (SDG 4) and grow sustainable development community within IBL: Regular meetings and communication via memos, the IBL blog and newsletter, etc. 	<p>2 4 5 9 13</p>	

Putting People First, and at the heart of our strategy

"People First" is IBL's core value. We care about our people's wellbeing and believe that their engagement and job satisfaction is crucial to IBL's ability to perform and create value sustainably.

The transformation of our Group's Human Capital model therefore represents one of the pillars of IBL's long-term strategy. Its aim is to ensure that IBL has the world-class expertise it needs to thrive, both now and in the future, by:

- Proactively attracting talent;
- Investing in our people's development; and
- Recognising and rewarding their achievements in order to retain them in the long term.

Building an IBL Together culture that reflects our Group's values

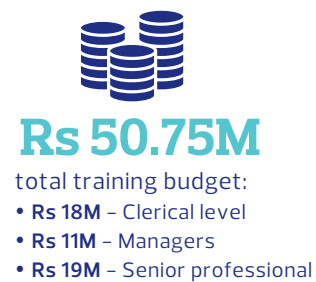
IBL recognises that a supportive, trust-based working culture is critical to our team members' wellbeing and job satisfaction. In line with our strategy, we continue to build our "IBL Together" working culture in collaboration with our operations' management teams. This year, more than 2000 team members took part in full-day values workshops to communicate and embed the mission, vision and values that IBL articulated in 2017. We also ran a Great Place to Work survey as well as a series of team-building initiatives across IBL companies and our Corporate Centre.

IBL also constantly seeks to improve how we communicate with and empower our team members and other stakeholders, for instance by providing online resources for on-boarding, learning and development and recruitment, as well as a new website and blog. Please see our Stakeholder Engagement Report on p. 58 for more information.

Great Place to Work Survey

This year, IBL ran a Great Place to Work survey within its Corporate Centre and a number of its businesses. The Survey revealed that while managers and senior managers are more engaged than the general staff, all of our team members feel a strong sense of pride about working for IBL. It also demonstrated that our greatest assets are the career progression and learning and development opportunities that we offer as well as the Group's ability to retain staff over the long term.

The survey identified a number of areas in which IBL can improve, including work-life balance, team member recognition and internal communication. These will form the basis for a roadmap to enrich our corporate culture and the working environment we provide. As a next step, IBL will communicate the survey's results to businesses and encourage them to develop action plans to address these issues.



Delivering on our Human Capital roadmap

In 2017-18, IBL made significant progress in delivering on the three-year Human Capital strategy adopted in 2016:



Key objectives	Achievements this year	Next steps
1. Harmonising the Group's Human Capital approach		
Articulate and standardise Human Capital processes across IBL	<ul style="list-style-type: none"> · Harmonisation of processes within Corporate Centre: recruitment, induction and on-boarding, as well as performance reviews, employee development and stay and exit interviews. 	<ul style="list-style-type: none"> · Pursue Corporate Centre's Human Capital transformation to create value for IBL operations. · In collaboration with operations' management teams, start to standardise operations' HC processes by: <ul style="list-style-type: none"> - Continuing to bring together HC expertise across the Group via dedicated forums; - Disseminating best practice; - Promoting a culture of performance based on the use of analytics, to help them manage and retain the talent they require.
Review IBL's Human Capital and salary practices in collaboration with the Korn Ferry Hay Group	<ul style="list-style-type: none"> · Reviewed all Corporate Centre job descriptions (for 150 team members in 43 positions). · Created a remuneration framework (benchmarked against market rates on the basis of total remuneration packages) for all positions with the Corporate Centre as well as across IBL operations. 	<ul style="list-style-type: none"> · Fine-tune the evaluation process. · Based on feedback from IBL companies, tweak system to reflect the specificity of businesses' operations and their different financial realities.

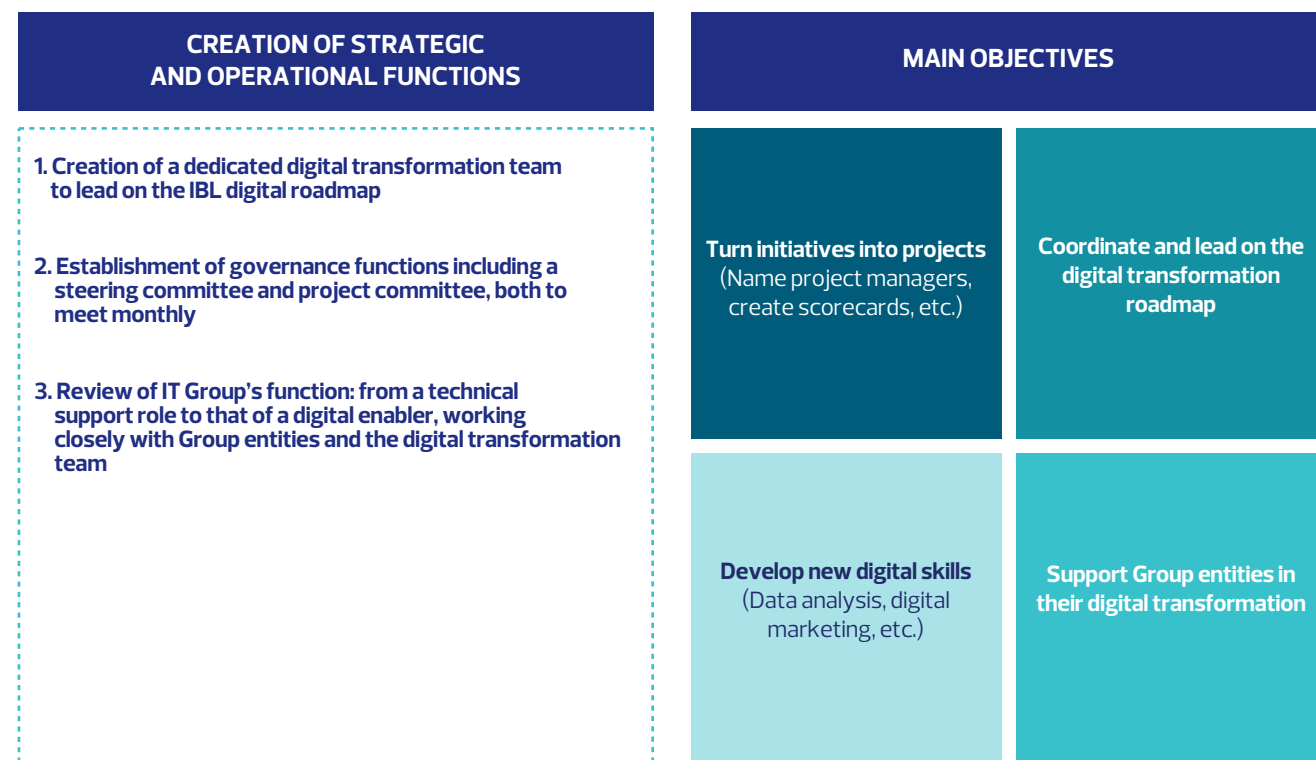
Key objectives	Achievements this year	Next steps
1. Harmonising the Group's Human Capital approach (continued)		
Implement a new Performance Management System	<ul style="list-style-type: none"> All executives and managers in IBL's Corporate Centre and operations have undergone a performance review exercise. Corporate Centre team members and some IBL operations staff have now also completed this exercise. Short-Term Incentive (STI) scheme rolled out for Corporate Centre executives: Team members on the STI receive a bonus equivalent to a defined number of months of their basic salary, based on their individual performance, their company's financial performance and their demonstration of IBL values. 	<ul style="list-style-type: none"> Select an information system that can automate performance assessment at Group level, particularly for IBL Operations and some of our Financial Cluster businesses. Define analytics dashboards to monitor Human Capital initiatives and their impact on IBL's performance. Being to implement STI within IBL Operations: Define an STI framework that takes the specificities of each business into account while encouraging a mindset of entrepreneurship.
Digitally transform the Group's HC practices	<ul style="list-style-type: none"> E-payslips implemented. Medical claims now web-based, facilitating the reimbursement and follow-up of claims. 	<ul style="list-style-type: none"> Select and implement a new Human Capital Information System (HCIS). Digitalise our on-boarding, learning and development platform and recruitment process (part of our strategy to improve employee experience). Finalise and launch automated business travel system.
2. Strengthening the group's succession planning and recruitment strategies		
Reinforce succession planning and recruitment to ensure business continuity / that strategic roles are appropriately staffed at all times	<ul style="list-style-type: none"> IBL now reviews its succession plans on an annual basis, alongside salaries. Defined risk mitigation plans to ensure ongoing staffing of business-critical roles in IBL companies. Defined development plans and a set of dedicated management development programmes for key talent. Launched Long-Term Incentive Plan for IBL executives: eligibility is defined by very specific parameters, with nominations signed off by the Board of IBL Ltd after recommendations by the Corporate Governance Committee. 	<ul style="list-style-type: none"> Succession planning remains a priority, particularly when we are looking to replace executives who have worked for the Group for decades.

Key objectives	Achievements this year	Next steps
3. Helping Businesses transform through learning and development initiatives		
To assist Group businesses with learning and development initiatives that will enhance their performance and enable their sustainable growth	<ul style="list-style-type: none"> Ongoing provision of Management Development Programmes (MDP) in partnership with Stellenbosch University: second batch of 32 team members took part in a course this year. MDP alumni are now part of a "Leaders in Action" network and are called upon to contribute to key issues for IBL. Alumni have demonstrated tangible improvements in performance and deliverables after their completion of the programme. Ongoing partnerships with other institutions such as Curtin University to develop IBL managers. 	<ul style="list-style-type: none"> Launch of a Leadership Executive Acceleration Programme (LEAP) for executives and some high potential senior managers. Launch of Ignite, an online platform that provide abstracts of business books to management and senior executives, so they can read the latest materials in their fields.
4. Proactively attracting key talent		
To proactively identify and attract top talent by raising awareness of the opportunities that IBL presents; developing future leaders; and offering an appealing working culture and attractive remuneration	<ul style="list-style-type: none"> Efforts to improve employee satisfaction and build a supportive, trust-based working culture: provision of Value workshops, team-building, Great Place to Work survey carried out. Continuing to build a pool of future IBL managers by targeting high-potential employees, managers and executives for training. National scholarships offered to fourteen children of employees to pursue studies in high professional demand. Creation of innovative remuneration practices to sustain our short-term and long-term strategy. 	<ul style="list-style-type: none"> Devise and implement roadmap to reinforce working culture based on data from Great Place to Work survey. Aim to offer regular salary increases and packages based on the national salary surveys that IBL completed this year in partnership with the Korn Ferry Hay Group, while staying abreast of innovative remuneration practices.

IBL has now embarked upon an ambitious digital transformation journey. We strongly believe that customer-centric digitalisation will help us improve IBL's processes and services, ultimately allowing us to offer a better experience to customers and team members alike. It will also help us improve efficiency, grow our businesses, and increase our revenue.

The ultimate aim of this transformation is to help IBL achieve the objectives set out in the Strategy section of this report. To be successful, IBL's digital transformation will need regular, consistent input from senior managers within both the Corporate Centre and each Group entity.

Executing our digital transformation plan



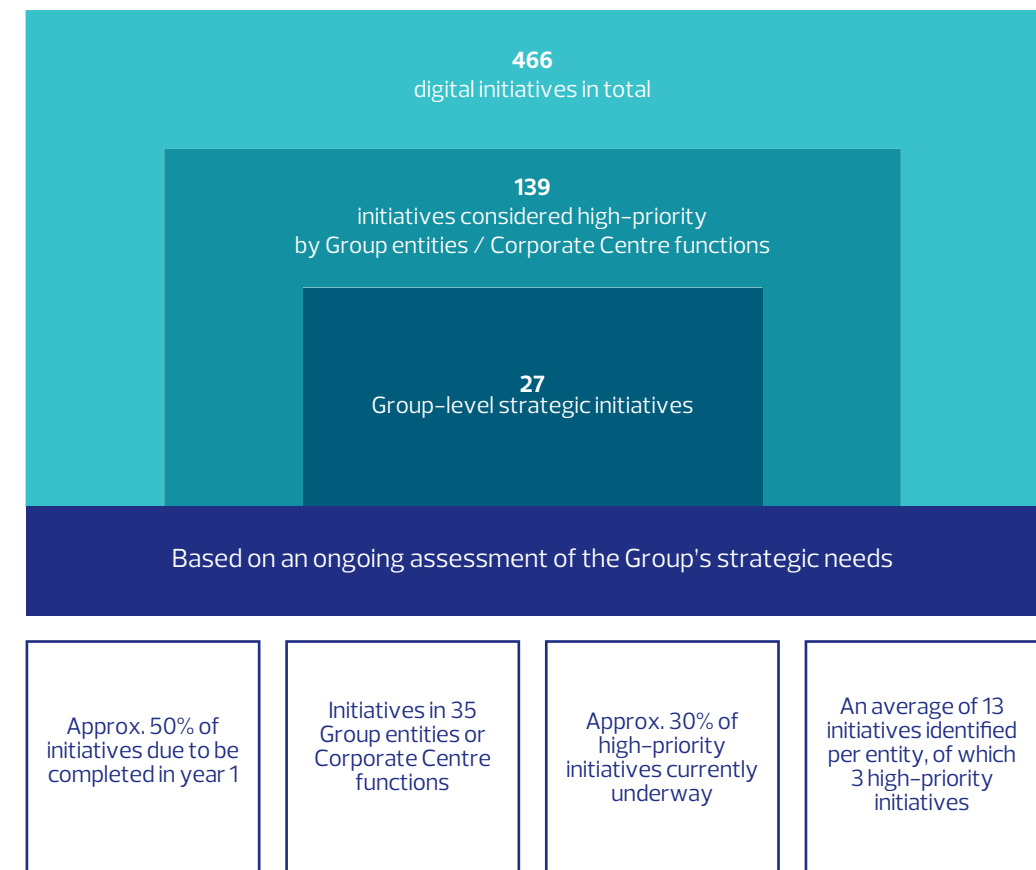
Digital initiatives at IBL

Following over 70 workshops attended by more than 150 team members from across IBL, digital roadmaps were defined for 27 Group entities, including associates, and eight Corporate Centre functions. These roadmaps consist of 466 initiatives in total. Of these, 139 projects have been identified as high-priority in consultation with Group entity CEOs, COOs and Corporate Centre; and 27 are considered strategic at a Group level.

The high-priority projects were selected on the basis of:

- Their ability to strengthen IBL's leadership in a given market and to reinforce the IBL brand;
- The potential improvement they represent for the Group's performance, by underpinning business development and the efficiency of IBL's operations; and
- The extent to which they improve users' digital experience (among both customers and IBL team members).

The digital transformation team will focus on implementing these high-priority initiatives – which are due to run over the short, medium and long term – until December 2018. It will then begin to work on a second wave of initiatives.



IBL's digital roadmap: Where we are now and next steps



Creating a brighter future for all

Sustainability is at the heart IBL's Mission, Vision and Values. It is also a key part of our strategy. It drives our performance and challenges us to innovate, for instance by targeting new markets and developing increasingly environmentally-friendly and socially responsible products and services.

We believe that the only way we can create value for our Group, stakeholders and wider society in the long term is by placing sustainability considerations at the centre of our business model while managing our social and environmental risks and impact.

How we've begun to deliver on our sustainability approach



Reporting in line with global standards

IBL is committed to monitoring, assessing and reporting on its sustainability in line with international standards including the UN Global Compact Principles (UNGC), and in order to achieve global aims such as the Sustainable Development Goals (SDGs).

IBL is in the process of institutionalising sustainability reporting based on Global Reporting Initiative (GRI) Standards. (See boxed text below). Our Group has also been a Participant member of the United Nations Global Compact since November 2017 and a Member of the UNGC Advisory Committee and the Local Network since March 2018. Our first Communication On Progress (COP) towards Global Compact goals will be published at the end of 2018.

In addition, IBL adheres to the guiding principles of the Stock Exchange of Mauritius Sustainability Index (SEMSI). These are based on GRI standards (G4), with companies selected for listing based on corporate governance, economy, environment and social sustainability criteria.

Pilot project to identify material sustainability issues at Froid des Mascareignes

Over the past financial year, with support from Ecological Living in Action Ltd, the Group ran a pilot project with Froid des Mascareignes (FdM) to document how the company identifies and reports on its material sustainability issues.

The project's final report reviews the methodology, tools and internal and external stakeholder engagement processes that FdM used to establish its material topics. It also includes a materiality matrix developed using Value Chain Mapping (VCM) and Multi-Criteria Analysis (MCA).

The pilot project was observed by IBL's 20-odd Sustainability Champions, who work in businesses across the Group. The aim was for the Champions to learn about the process in order to implement the materiality analysis in their own companies in the coming year.

FdM is now in the process of writing its first Sustainability Report based on the results of this materiality analysis. It is also establishing a framework to monitor and manage the sustainability issues identified.

Both the Methodology and the Sustainability Reports will be available on IBL's website in the next financial year.

IBL's energy commitment

IBL is aware of the environmental impact of its energy consumption. The Group has committed to reducing its carbon-based energy footprint by a third within the next three years. It will do this by:

- Reducing its use of fossil energy by implementing energy-efficient methods and business practices; and
- Looking into renewable energy sources such as solar or methane from effluents.