

IBL TOGETHER SUSTAINABILITY REPORT

JULY 2017 – JUNE 2018



TOGETHER
FOR A BETTER
TOMORROW.

.....
An IBL Sustainability Initiative.



Dear Stakeholders,

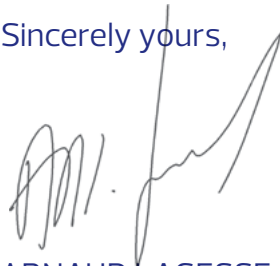
SUBJECT: UN GLOBAL COMPACT – STATEMENT OF CONTINUED SUPPORT

I am pleased to reaffirm our Group's support to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In our first annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact principles into our business strategy, our daily operations, our services and more importantly, our culture.

We also commit to sharing this information with you, using all our communication channels.

Sincerely yours,

A handwritten signature in dark blue ink, appearing to read 'A. Lagesse', with a stylized flourish at the end.

ARNAUD LAGESSE
GROUP CEO

Port Louis, 21 November 2018

01

ABOUT IBL TOGETHER



01 | ABOUT IBL TOGETHER

190 Years of Entrepreneurship and Growth

IBL's story is one of entrepreneurship, transformation and growth. It is also the story of the many people who have shaped the Group over the past 190 years. From our origins in Mauritius' historic shipping and sugar industries in the 1830s, IBL has become one of the region's largest diversified groups. We work across nine clusters in 25 countries worldwide. IBL now has 25,750 team members, making us one of Mauritius' largest employers. We are answerable to over **12,500 shareholders**.

Revenue



Profit from operations



Mauritius' largest business group



+25,750
Team members



+12,700
Shareholders

Our Mission

As a diverse and responsible corporate citizen, we enhance the talent of our people and inspire them to better serve our stakeholders in a trustful, open and efficient way.

Our Vision

Creating a brighter future for all.

Our Values

People First, Passion, Integrity, Excellence, Responsibility & Creativity.

A Mauritian first



1st
Mauritian Group
in terms of Market
Capitalisation
excl. financial institutions

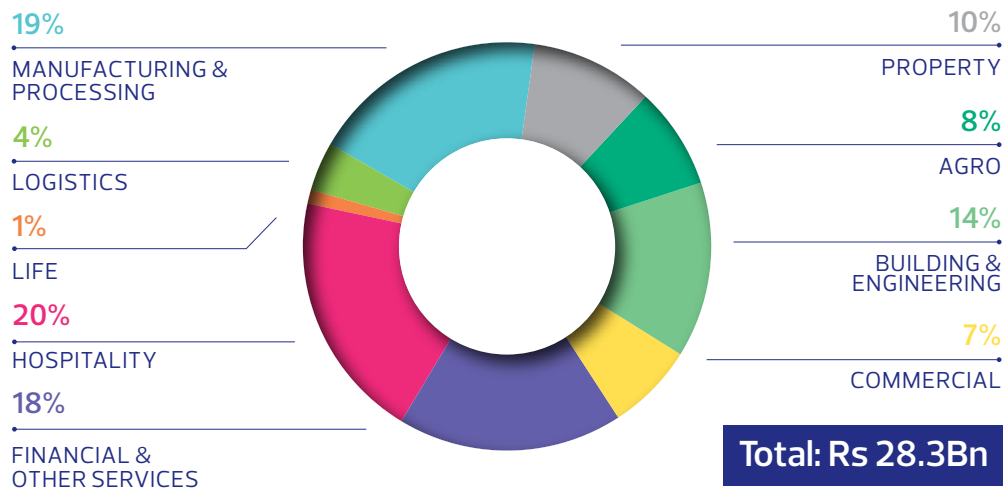
9 Clusters



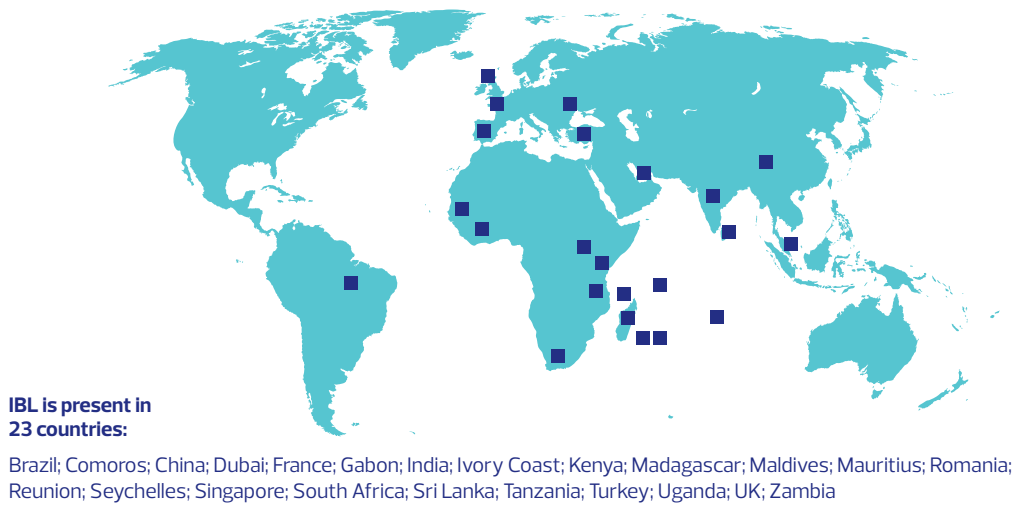
- Agro
- Building & Engineering
- Commercial
- Financial & Other Services
- Hospitality
- Life
- Logistics
- Manufacturing & Processing
- Property

01 | ABOUT IBL TOGETHER

Investment portfolio by Cluster as at 30th June 2018



An international presence



Active in 280 companies



01 | ABOUT IBL TOGETHER

IBL GROUP																													
AGRO			BUILDING & ENGINEERING			COMMERCIAL			FINANCIAL & OTHER SERVICES			HOSPITALITY			LIFE			LOGISTICS			MANUFACTURING & PROCESSING			PROPERTY			CSR		
Alteo			UBP			BrandActiv			AfrAsia			LUX* Hotels & Resorts			IBL Life			Logidis			Phoenix Beverages			Bloomage			Fondation Joseph Lagesse		
27.64%	A		33.14%	S			O		30.29%	A		56.47%	S		100%	S		100%	S		23.28%	S		100%	S		S		
			Manser Saxon			HealthActiv			DTOS						CIDP			Somatrans			Seafood Hub			BlueLife			Small Step Matters		
			92.5%	S			O		100%	S					90%	S		75%	S		85%	S		48.99%	S		S		
			CMH			Winner's			Mauritian Eagle Insurance						QuantiLab Holding			Ground2Air			Froid des Mascareignes						Chemin Rail & Amaury Housing Co. Ltd		
			100%	S		100%	S		60%	S					50%	A		100%	S		59.50%	S					S		
			Scomat			Monoprix			City Brokers						Proximed			Australair			Marine Biotechnology Products								
			100%	S		100%	S		50%	JV					50%	JV		25%	S		56.95%	S							
			ServEquip			Intergraph			ElGeo Re									Arcadia Travel			Cervonic								
			100%	S		100%	S		33.3%	A								100%	S		85%	S							
			DieselActiv						LCF Holdings									Reefer Operations			Mer des Mascareignes								
			100%	S					60%	S								100%	S		42.50%	A							
			CNOI						The Bee Equity Partners									G2ACamas			Princes Tuna (Mauritius)								
			60%	S					34.95%	S								50%	S		40.64%	A							
			Blychem						Alentaris												Nutrifish								
			100%	S					75.51%	S											24.97%	A							
									IBL Link												Fresh Cuts								
									100%	S											100%	S							
									GWS Technologies												La Tropicale Mauricienne								
									45%	A											100%	S							
									Universal Media																				
									55%	S																			

Key Table:

A: Associate

JV: Joint Venture

S: Subsidiary

O: Operation

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A: Associate

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O: Operation



Arnaud Lagesse,
Group Chief Executive Officer

Delivering on IBL's growth strategy: Extract from the Group Chief Executive Officer's Report

In the past year, IBL has executed a substantial part of the three-year strategy set out in its 2016–17 integrated report. The strategy's aim is to strengthen IBL's Mauritian core while expanding regionally and internationally, positioning us as the region's leading diversified group.

We have continued to transform our Group and our business model in order to create ongoing value for our stakeholders. Our Corporate Centre functions work more closely with our operations' management teams to help them achieve robust, sustainable growth. We have also created a number of key roles that allow us to take a Group-level view of innovation, strategy, internal audit, risk and sustainability. These include a Group Head of Corporate Services, a Head of Risk Management, Compliance & Regulatory Affairs; Ethics Officer and a Group Strategic Innovation & Excellence Executive.

IBL's Mission, Vision and Values

Vision: Shaping a brighter world, together

IBL aims to work ethically and with integrity everywhere that we operate and invest. Our purpose is to create a brighter, more sustainable world.

Mission

As a diverse and responsible corporate citizen, we enhance the talent of our people and inspire them to better serve our stakeholders in a trustful, open and efficient way

Values: People 1st, Passion, Integrity, Excellence, Responsibility and Creativity

Our values are the bedrock of our ambitious yet principled culture. They shape how we do business, govern our group and interact with our stakeholders – from our people and partners to the communities in which we work.

02

IBL'S SUSTAINABILITY APPROACH: **CREATING A BRIGHTER FUTURE FOR ALL**




Sustainability is at the heart IBL's Mission, Vision and Values.

It is a key part of our strategy and it challenges us to innovate, for instance by targeting new markets and developing increasingly environmentally-friendly and socially responsible products and services. We believe that sustainability will drive our performance in the long term, and that it should be at the centre of how we run our businesses every day.

IBL has defined a Group-level sustainability approach that allows us to create value for our businesses and stakeholders while managing our environmental, social and governance-related risks and impact.

02 | IBL'S SUSTAINABILITY APPROACH: CREATING A BRIGHTER FUTURE FOR ALL

How we've begun to deliver on our sustainability approach:

AREAS OF CONCERN	STRATEGIC OBJECTIVES	ACHIEVEMENTS THIS YEAR	NEXT STEPS
 <p>People and Stakeholders (UNGC 1 to 6)</p>	To be a responsible employer and business in Mauritius and abroad, while taking care of all our stakeholders, including our team members.	<ul style="list-style-type: none"> · Human Capital Strategy deployed at IBL Group level to invest in our people and reward performance (see report on p.66) (SDGs 3,4,5,8,10). · Investment within IBL communities via FJL and other CSR vehicles (see report on p.78) (SDGs 1,3,4,11). · Proactive, transparent engagement with Froid des Mascareignes stakeholders as part of the "learning by doing" sustainability best practices and materiality analysis (see report on p.72). 	<ul style="list-style-type: none"> · Continue to implement IBL's Human Capital Strategy. · Continue to work with and invest in the communities in which IBL operates. · Continue to improve engagement with stakeholders to understand their concerns.
 <p>Ethics and Governance</p>	To apply good business and governance practices and disseminate them to our stakeholders.	<ul style="list-style-type: none"> · Workshops to embed IBL Group Values and IBL Together culture among staff. · Ongoing compliance with the Corporate Governance Code for Mauritius (SDG 16). · Creation of new Group-level functions such as risk management, compliance and ethics to improve oversight and accountability. · Working with IBL operations' management teams as they roll out these policies to their businesses. 	<ul style="list-style-type: none"> · Continued improvement of Group-level oversight of sustainability, strategy and risk management. · Institutionalisation of sustainability monitoring and reporting in order to improve accountability.
 <p>Environment (UNGC 7-8-9)</p>	To manage our environmental footprint by improving business practices, innovating and taking advantage of sustainable business development opportunities.	<ul style="list-style-type: none"> · Establishment of Group-wide sustainability policies: Sustainability + Waste. · Launch of the Group's sustainability programme with Blue Economy specialist Gunter Pauli (SDGs 9,17). · Supported the Island Bio social entrepreneurs through the donation of a van as well as ad-hoc assistance (on communications, branding, marketing, use of IBL network) (SDGs 1, 2, 8, 10, 11, 12). · Continued to be an active member of the Waste Committee at Business Mauritius and to take part in its waste project as a pilot company (SDGs 11, 12, 17). 	<ul style="list-style-type: none"> · Feasibility study of Blue Economy initiatives (e.g. innovative agro projects and industrial processes to reduce waste while creating value) (SDG 9). · To deploy energy-efficient solutions across the Group (SDGs 7, 9, 11, 12, 13). · Continue to support local entrepreneurs who seek to address sustainability issues. · Create partnerships at national level to implement waste management solutions.

02 | IBL'S SUSTAINABILITY APPROACH: CREATING A BRIGHTER FUTURE FOR ALL

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). Our aim is to contribute to 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 within our Corporate Centre and wider Group, based on data collection systems now being put into place. This initiative will also strengthen our integrated reporting, which is itself a reflection of our desire to improve transparency and accountability across our Group.

IBL has also been a Participant member of the United Nations Global Compact since November 2017 and a Member of the local UNGC Advisory Committee since March 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 has run a pilot project to document how Froid des Mascareignes (FDM), one of its companies, 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 companies 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 years. FDM is now in the process of writing its first Sustainability Report based on this materiality analysis. It is also establishing a framework to monitor and manage the sustainability issues identified. Both the methodology and the resulting sustainability reports will be available on IBL's website in the 2018-19 financial year.

Contributing to the Sustainable Development Goals (SDGs)

The SDGs call upon the private sector, including IBL Ltd, to advance sustainable development through their investments, the solutions they develop and the good practice they adopt.

As Mauritius' largest diversified group – active in nine different sectors and employing more than 25,000 people – IBL recognises that it must play a role in helping to achieve the global SDGs.

As of next year, we will use the SDG Compass to identify our main contributions to the Goals and more robustly report against them. We will start to build the Group's understanding of the SDGs through a number of IBL-UN awareness sessions aimed at our Managers, as well as via the AfrAsia Bank Sustainability Summit on the topic of "Translating the SDGs into your business".

We are committed to reducing the negative impact of our operations and value chain, while improving the positive contribution that our core business makes to the 2030 Agenda.

02 | IBL'S SUSTAINABILITY APPROACH: CREATING A BRIGHTER FUTURE FOR ALL



03

HUMAN RIGHTS



Placing People 1st

IBL Ltd is committed to upholding the human rights of all those directly or indirectly involved in our operations. We fully support the Universal Declarations of Human Rights. The principles of this declaration form the foundation of our environmental and Safety and Health policies as well as of other procedures including recruitment.

We recognise that having highly skilled and motivated employees is crucial to our Group's success in the long term, and we have made considerable progress in implementing the Human Capital strategy that IBL announced last year. Its aim is to help IBL attract, retain and engage the talent it needs, now and in the future. It will achieve this by offering attractive remuneration, training and development opportunities and a supportive, engaging workplace underpinned by our unique "IBL Together" corporate culture. This year, in partnership with Korn Ferry Hay, our Human Capital team completed a review of job descriptions for all Corporate Centre staff, harmonising the terms and conditions of their employment and aligning their salaries and benefits with the market. We also launched a new Long-Term Incentive Plan for Group executives and made headway in implementing a new Performance Management System.

Alongside this, IBL is offering our teams an increasing amount of training and opportunities for professional development. 32 managers attended the second iteration of our Management Development Programme, run in partnership with Stellenbosch University. We have also launched a

new Leadership Executive Acceleration Programme for Corporate Centre executives and high-potential managers. Finally, IBL carried out a Great Place to Work survey within its Corporate Centre and operations, whose results are discussed in greater depth in the Labour section of this report. For an in-depth review of our Human Capital strategy, please read the Human Capital section of our 2017-18 Integrated Report, available online at www.iblgroup.com.

Promoting business ethics across the Group

The Board of IBL recently approved a new Code of Business Ethics applicable to all Group company employees and Directors. The Code provides a framework for ethical behaviour and sound decision-making. It includes a number of principles that draw on the Group's values, outlines the governance of ethics at IBL and sets out a detailed procedure through which to raise concerns. Whistle-blowing procedures are also included in the Code. Breaches of the Code will not be tolerated and may lead to disciplinary action.

IBL's Ethics Officer is currently devising a communication strategy to raise IBL team members' awareness of the Code and the ethical behaviours it promotes. As of 2019, the Code of Business Ethics will be disseminated through e-module training, alongside modules on sustainability awareness, as part of the induction pack given to every new employee.

The Code will shortly be available on IBL's website at www.iblgroup.com

Ensuring workers are provided with suitable, safe and sanitary work facilities

The Safety and Health of our people is core to our company's values. We are fully committed to offering and maintaining a safe and healthy work environment for all employees, as far as reasonably practicable, and for any other people affected by our professional activities.

In that respect we undertake to:

- Establish efficient Safety and Health guidelines and work procedures to prevent accidents, incidents, injuries, near-misses, work-related illnesses and unsafe acts and conditions;
- Promote awareness of Safety and Health at all levels within the Group and in compliance with local statutory legislation;
- Keep up to date with the latest findings and best practice relating to Safety and Health, and pro-actively involve our employees in all Group initiatives; and
- Maintain a culture of safety that encourage team members at every level to shoulder responsibly for their own safety and that of their team members, visitors and contractors.

Safety and Health is also part of the inclusion training provided to every new employee at IBL.

Creating a diverse, equal opportunity workplace

The Human Capital and Compliance teams are in the process of developing an Equal Opportunity Policy that will comply with the Mauritian Equal Opportunities Act. This policy will set out a framework for anti-discriminatory behaviour in relation to recruitment, promotion, sexual harassment, etc.

The aim is to minimise the risk of employees being discriminated against and to promote fair, merit-based recruitment, training, selection, and hiring. Our intention is to continue to build an organisation where each employee will make full use of their talents, skills, experience and competences, and where the employee feels respected and valued regardless of their status; that is, of their age, caste, colour, creed, ethnic origin, any impairments, marital status, place of origin, political opinion, race, sex or sexual orientation.

During the last months, 42 IBL Executives and Managers took part in a half-day Equal Opportunity Workshop for the private sector conducted by the former president of Mauritius' Equal Opportunities Commission. Efforts were also made to raise awareness of Mauritian labour laws earlier this year, via a workshop attended by 35 Group Executives, Managers and Human Capital team members. In the coming months, we will also continue to run awareness-raising sessions to improve employer-employee relationships.

“Women matter”: A cause that is dear to our hearts

Over the past several years, IBL has launched a number of initiatives in order to empower its female employees. So far, 13 women professionals occupying management positions in different companies within the Group have attended the KIP Leading Women's programme. This international leadership programme, held in Mauritius and South Africa, is run by the KIP Centre for Leadership in partnership with the prestigious GIBS University of Pretoria.

At the end of October 2018, IBL also created a working group on “Bridging the Gender Gap in Mauritius and at IBL Together”.

To increase our rate of progress in 2018 and in the coming years, our Group CEO has tasked the IBL Sustainability team with putting together a diverse focus group on gender inclusion, in order to:

- Take stock of where we are at group level;
- Map and implement possible avenues through which to make a tangible impact on gender inclusion within IBL and beyond;
- Raise awareness of the issue at all levels within the Group;
- Improve gender equality and empower all women (SDG5) employed at IBL.

IBL also spearheaded a number of initiatives to raise awareness of gender equality this year. We notably invited our Human Capital and CSR Managers as well as members of the gender inclusion focus group to a workshop and debate on SDG5. This was co-organised by the UN Global Compact's Global Operations leader, as well as by representatives of the United Nations Development Programme (UNDP) Country Office in Mauritius and the International Organization for Migration (IOM).

The Board of Directors has also improved its diversity and gender balance by bringing new skills into play. It now consists of 14 Directors (eight Non-Executive Directors, four Independent Non-Executive Directors and two Executive Directors) including two women.

To officialise the Group's commitment to women's equality, our Group CEO, together with our Group Chief Human Capital Officer and our Sustainable Development Corporate Manager, signed a Statement of Support for the United Nations' Women's Empowerment Principles in October 2018. A number of actions resulting from this commitment will be taken during the coming year. The statement itself will be available on the IBL website shortly.

Inclusion of people with disabilities in IBL workplaces

IBL organised an awareness-raising workshop on the inclusion of Persons with Disabilities (PWDs) in our workplaces, with support from youth4jobs (India) and the Global Rainbow Foundation (Mauritius). Our Group also ran an audit and social survey to establish how many PWDs are currently employed within the IBL Group and what facilities are offered to them. The survey also aimed to identify companies interested in collaborating with the Global Rainbow Foundation (GRF) to improve conditions for PWDs in the workplace.

RESULTS OF SURVEY ON PWDS WITHIN THE IBL GROUP

TOTAL NUMBER OF GROUP COMPANIES WHO TOOK PART	17
TOTAL NUMBER OF TEAM MEMBERS WITHIN THOSE COMPANIES	6282
TOTAL NUMBER OF PWDS EMPLOYED WITHIN THOSE COMPANIES	86

03 | HUMAN RIGHTS

Initial results indicate that certain companies are better equipped to accommodate PWDs than others. However, several companies operating in labour-intensive industries (including Pick and Buy Ltd (Winners) and Phoenix Beverages Limited) have some of the Group's most disability-friendly facilities, and are therefore in a position to continuously promote the integration of PWDs in the workplace.

Towards social compliance

Many of IBL's operations actively seek to comply with the world's leading social certification standards. IBL's Seafood Hub companies are working towards social compliance by implementing SA8000, a certification standard that encourages organisations to develop, maintain, and apply socially

acceptable practices in the workplace. Mer des Mascareignes in particular aims to be certified by 2019.

The SA 8000 Standard assessed a company's performance based on the following eight criteria:

- No child labour
- No forced or compulsory labour
- Health and safety
- Freedom of association and right to collective bargaining
- No discrimination
- Disciplinary practices
- Working hours
- Remuneration
- Management systems

FACILITIES OFFERED: INFRASTRUCTURE	NONE	LIFT	DOORWAY WITH PUSHBAR	CAR PARKING	TOILET FOR WHEELCHAIR	LIGHTING	RAMPS
AFRASIA BANK LTD		✓		✓			
QUANTILAB	✓						
PHOENIX BEVERAGES LIMITED		✓	✓	✓	✓	✓	✓
THE BEE EQUITY PARTNERS LTD		✓		✓			
GWS TECHNOLOGIES LTD		✓		✓	✓	✓	✓
CITY BROKERS LTD		✓					
THE CONCREATE AGENCY LTD		✓		✓			
BLUELIFE LTD		✓		✓			
PICK AND BUY LIMITED						✓	
ALENTARIS LTD		✓		✓		✓	✓
CHANTIER NAVAL DE L'OCEAN INDIEN LTD	✓						
IBL LTD		✓	✓				
LOGIDIS LTD			✓			✓	
IBL LTD FROZEN WAREHOUSE			✓			✓	
SOMATRANS SDV LTD			✓			✓	✓
GROUND 2 AIR LTD	✓						
THE UNITED BASALT PRODUCTS LTD				✓		✓	

04

LABOUR



Making IBL a Great Place to Work

Freedom of Association

Group employees have the freedom to join employees' associations and/or unions. At the time of writing, 15% of our employees in Operation companies working in various sectors were members of recognised trade unions.

Child labour

Companies within IBL's Seafood Cluster, namely Froid des Mascareignes, Mer des Mascareignes and Marine Bioproducts, have put a Child Labour and Forced Labour Policy into place after the issue was identified as a potentially sensitive topic in the industry. Within IBL's Hospitality Cluster, LUX* Island Resorts also has a clear Child Protection Policy. LUX* is committed to respecting

children's rights, including by protecting children from general abuse and sexual exploitation. Child labour considerations are already embedded into its employment policies and Human Rights Policy.

Remuneration

The Group aims to respect the applicable minimum wages for each sector it is active in, as per the different government regulations for each category of worker. Furthermore, the Group has developed a remuneration framework for its managerial positions and Senior Executives, based on the Korn Ferry Hay Group's international methodology. The Corporate Centre has extended this practice to employees at every level. The framework will in future be revised annually, based on national remuneration benchmarks.

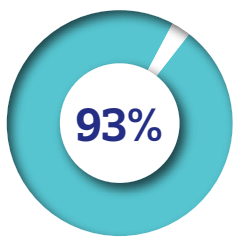
Great Place to Work survey at IBL

This year, IBL ran a Great Place to Work survey within its Corporate Centre and a number of its companies. 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 opportunities for career growth and learning and development as well as our ability to retain staff over the long term are our three greatest assets.

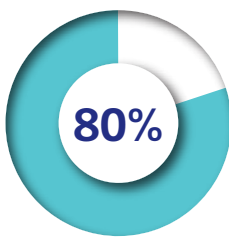
The Survey identified a number of areas for growth. These will form the basis of a roadmap to improve our working culture and the professional environment we offer in the future. They include work-life balance initiatives, recognition practices and internal communication.

Working with external consultants, IBL companies will conduct focus groups among their employees and devise roadmaps to become better places to work.

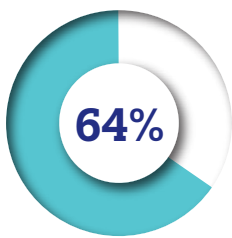
GPTW RESULTS FOR CORPORATE CENTRE



Responsive rate:
196 Invited



Great Place To Work:
Benchmark: 70% to be considered a Great Place To Work



Responsive score:
"Taking everything into account, I would say this is a great place to work."

63%
Credibility

66%
Respect

55%
Fairness

75%
Pride

64%
Camaraderie

05

ENVIRONMENT



Reducing IBL's energy footprint and increasing our efficiency

IBL is aware of the environmental impact of its Group energy consumption. The Group is committed to reducing its carbon-based energy footprint by a third within the next three years, thanks to a strategic partnership with a partner to be announced shortly. It will do this by:

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

Several of our companies are already actively working to reduce their energy consumption.

Energy management initiatives at LUX Resorts and Hotels*

LUX* Resorts has made progress on its commitment to reduce energy consumption and offset harmful gas through United Nations Framework Convention on Climate Change (UNFCCC)-registered projects in six countries across two continents¹.

Energy management has been incorporated into the LUX* Vision 2020 Corporate Sustainability Management Plan since 2013-14, when this

commitment was first made². Specific corporate policies³ and regular training ensure team members are aware of energy considerations and equipped to make appropriate decisions. LUX* believes it is important to be accountable, and reports publicly on the projects it has invested in and the yearly progress it has achieved.

The company continually invests in external energy assurance from accredited auditors. All eight of LUX*'s properties in Mauritius, Reunion and the Maldives are Green Globe-certified. The certification notably requires the adoption of international best practice in energy savings.

During the 2017-18 financial year, and going beyond LED light retrofits and the implementation of energy management systems, LUX* reiterated its renewable energy pledge during the Small Islands Developing States (SIDS) private sector forum.

1. Carbon Offsetting Projects <https://aera-group.fr/fiche/lux-resorts-hotels/>

2. <https://www.luxresorts.com/media/4903/lux-scsr-vision-2020.pdf>

3. Sustainability Policy https://www.luxresorts.com/media/5232/lux_sustainability_policy.pdf
Environmental Policy https://www.luxresorts.com/media/5230/lux_environmental_policy.pdf

This pledge aligns with the aims of its flagship carbon-reduction strategy, Tread Lightly by LUX*, which invites guests to contribute to certified UNFCCC, Verified Carbon Standard or Gold Standard offsetting projects. This strategy, which aligns with the UNFCCC Paris Agreement, the SDGs and the UN's SAMOA (SIDS Accelerated Modalities of Action) Pathway, will see renewable energy projects implemented in the SIDS locations in which LUX* operates, as well as in other destinations around the globe.

Following the success of a pilot project on LUX*'s private island, l'Île des Deux Cocos, the company is working with renewable energy experts to develop a more ambitious project at LUX* South Ari Atoll in the Maldives.

All LUX* stakeholders stand to benefit from these projects, which help to achieve national, regional and international sustainability objectives. Key stakeholders include team members, guests, members of the local

community, investors, shareholders, tour operators or other partners, and the governments of the territories in which LUX* operates.

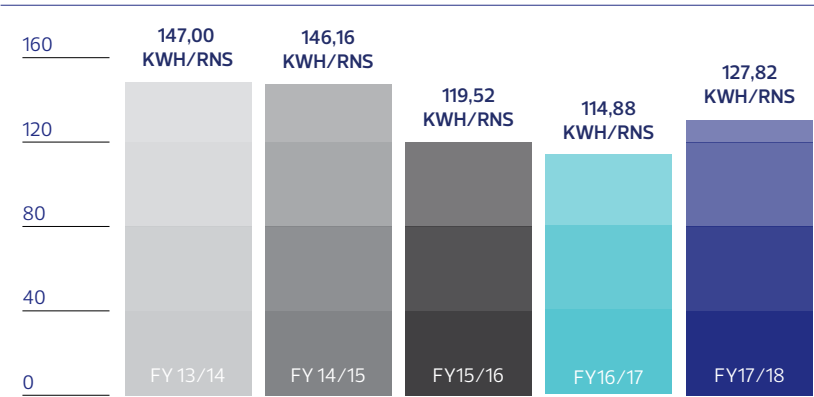
Earth Hour at all LUX destinations*

Every year, LUX* takes part in Earth Hour, a global campaign to raise awareness of the impact of energy consumption on our planet. Between 8:30pm and 9:30pm on the 24th of March 2018, LUX* properties in all destinations dimmed their lights to benefit the Earth.

The resorts also organised a range of awareness-raising activities. Sustainability representatives worked with various departments, guests and young residents to develop activities including early morning beach cleans in Reunion, candle-lit dinners in Mauritius, documentary projections in the Maldives and traditional yak butter candle-making workshops in Yunnan, China.

LUX*'s Energy Consumption during 2017–18 in Figures:

A 13% reduction in energy consumption since FY 2013/14



Renewable Energy

- LUX* reiterates pledge at SIDS forum.
- Ile Des Deux Cocos photovoltaic plant.

14,685 KWH
produced by photovoltaic panels

Reduction in CO₂ production of
15.9 tonnes per year

LUX* South
Ari Atoll photo-
voltaic plant:
Phase 01 & 02

- 01 Target capacity of 550 KWP
Estimated diesel savings of 200,000 litres per year
- 02 Incorporate battery storage
Total target capacity: ~2.5 MWP

59.52 KWP
plant enabling the island to
become 100% self-sufficient in
terms of energy

Use of diesel reduced by
5,874 litres per year

Examples of initiatives

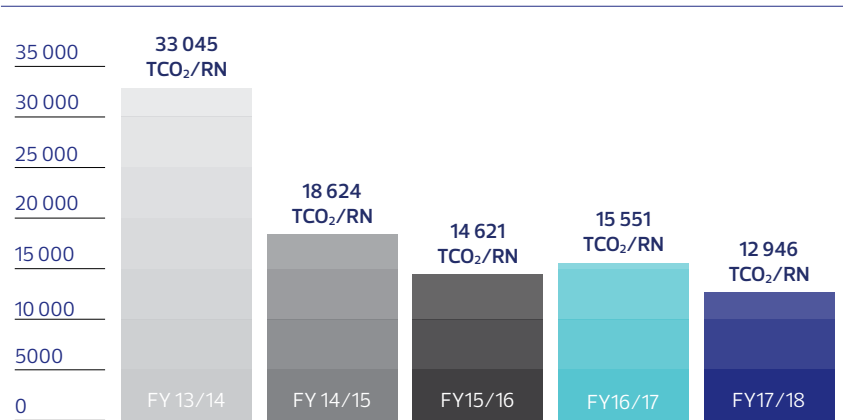
- LED light retrofits in all properties
- Implementation of Energy Management Systems
- Awareness-raising among team members
- LUX* Laundry Asterix, a laundry reduction programme that engages with guests and raises awareness of water and energy usage

Carbon Offsetting

- Tread Lightly by LUX*
- Achieved millionth participating guest night (with a donation of 1EUR per guest) between 2013– 2018
- Contributed over 13M MUR to 9 offsetting projects
- 97,000+ tonnes of CO₂ offset

60% Reduction
in green house
gas (GHG)
Emissions since
FY 2013/14

Lux* Tread Lightly Scope 1 & 2 (TCO₂E/RN)



A solar farm at Alteo Ltd

In 2017–18, Alteo Ltd launched Helios Beau Champ, a solar farm, in partnership with French renewable energy specialist Quadran. Initiated in early 2016 following a call for tenders from the Mauritian Central Electricity Board (CEB), the Helios Beau Champ project has already been brought to the United Nations' attention in the context of its clean development initiatives. It is part of Mauritius' sustainable development strategy, which includes emission reduction targets agreed at COP21.

The project represents a MUR 385 million investment. Once it is complete, it will consist of 38,016 270W photovoltaic panels over a 14-hectare area. It will be able to generate 10.3 MWp in power for a maximum of 9 MW injected into the national grid.

PhoenixBev

PhoenixBev intends to achieve ISO 14001: 2015 certification for its two non-alcoholic beverage units by the end of 2018 or early 2019. This reflects the company's various environmental policies as well as the international standards of The Coca-Cola Company and Suntory Beverages & Food Europe, with whom PhoenixBev partners with. This is another opportunity for PhoenixBev to ensure that its various production units meet environmental and qualitative standards, as well as key industrial health and safety norms. PhoenixBev is also aiming for a 14001: 2015 certification for its brewery by early 2020, and will seek to certify its commercial department and distribution-related activities by 2023.

Froid des Mascareignes (FDM)

Since 2017, FDM has invested in an energy monitoring device, installed Variable Speed Drives (VSD) and soft-started refrigeration compressor motors at the refrigeration plant one of its complexes. This refrigeration plant has been chosen as a pilot to monitor and assess every aspect of power consumption. Continuous improvements are being made, with FDM also investing in LED lights. All existing high-power consumable lights will be replaced this year.

Creating value from waste and reducing our waste to landfill

Waste has been identified as one of IBL's main Group-level environmental impacts. As a diversified Group, we generate many different kinds of waste for which we must find sustainable solutions. This year, we set up a number of Group-level initiatives to tackle this issue, some of which have become business opportunities.

Group waste management policy

A Group waste management policy has been created as an extension of the IBL Sustainability Policy to enable IBL to reduce its dependency on landfill. Companies are asked to put appropriate measures in place to reduce their waste and environmental impact; protect workers from occupational safety and health risks related to the waste they generate; and make the most of opportunities to recover resources from waste through a "Blue" or Circular Economy (zero waste) approach. For example, as an initial result of this waste management plan, 3.5 tonnes of e-waste were collected for recycling this year.

Circular Economy initiatives at IBL

IBL believes that sustainable solutions must be inspired by nature's design principles. We are currently working on a strategic partnership with Dr Gunter Pauli, the international Blue Economy expert and founder of the Zero Emission Research Initiatives (ZERI) Foundation. This partnership will allow IBL to identify higher value-added solutions for waste, effluents and by-products generated by our operations and activities. A shortlist of solutions has been identified and will be communicated soon.

Marine Biotechnology Products, one of IBL's Seafood Cluster companies, has already embraced this principle and transforms fish by-products into fish meal or oil, both higher value-added products. Our beverage company, PhoenixBev, is working towards glass recycling solutions via the Mauritius Glass Gallery, and is rethinking how it manages the PET waste generated by the bottling industry. A Bottle to Bottle project is currently being assessed.

Last May, IBL invited leaders from Mauritius' private sector to a seminar on "The Circular Economy: Towards a competitive, sustainable economy". This was followed by an afternoon workshop on "The Circular Economy: From principles to practice". Since then, IBL has identified a number of potential Circular Economy projects and in some cases is already working on feasibility studies.

Participation in national waste management efforts

In 2017, IBL joined an industry-wide waste management effort led by Business Mauritius' Waste Sub-Committee. This consisted of a pilot project whereby nine Groups or companies consulted private sector actors to identify issues and opportunities relating to waste management and share knowledge with their peers. As a result of this data-gathering and analysis, Business Mauritius has been able to work closely with the government on

policies and budget measures; and with the private sector on guidelines for businesses and pilot projects to help them implement efficient, effective recycling schemes. The aim is also for the private sector to work with the Mauritian government to minimise waste streams and devise new waste-management solutions.

Green Port Initiative

On the 5th of June 2015, on the occasion of World Environment Day, the Mauritius Port Authority (MPA) revived its Port Environment Charter to encourage port stakeholders to take part in its Green Port Initiative. The Port Environment Charter was endorsed by all port stakeholders, including Froid des Mascareignes, an IBL operation, to create a cleaner, more sustainable port environment. Following this, on World Cleanup Day 2018, the MPA, together with FDM and four other IBL partners, agreed to regularly clean the port thanks to a floating debris recovery craft. This small craft will keep the port's waters clean and free from floating debris and other floating waste materials. In October 2018 alone, 547 kg of waste was collected from the port's waters.

Encouraging environmentally-friendly entrepreneurship

IBL makes consistent efforts to encourage eco-friendly local entrepreneurship. In partnership with social enterprise Island Bio (the only Mauritian NGO recognised by Slow Food International), we now hold a regular organic Market for IBL Corporate Centre employees. IBL has also offered Island Bio a private van to facilitate their operations at our company headquarters. Furthermore, through our internal network, we facilitated a supply contract between them and new LUX* brand SALT and are helping them identify potential clients across the Group. We believe this benefits our employees as well as the communities in our areas of operation. A number of other partnership projects between IBL and local entrepreneurs are also in the pipeline.

A successful public-private partnership to clear invasive alien species and to restore native forest

IBL has been involved in forest restoration for many years. We work with Mauritius' National Parks and Conservation Services, part of the Ministry of Agro-Industry and Food Security; local NGOs (FORENA, the Mauritian Wildlife Foundation); and annual trail run Ze Dodo Trail Ltd.

In 2012, we carried out an initial weeding project in Petrin, in the Black River Gorges National Park, to attempt to eradicate invasive species and restore native forest to the area. Thereafter, IBL funded yearly maintenance weeding of the site in order to eradicate new invasive plants. To date, 30,000 m² of forest have been restored at Petrin. Based on a recent survey of the area, the quality of the native forest has improved and native plant species are beginning to thrive.

In addition, a critically endangered species of plant, *Olax psittacorum*, or "Bois Perroquet", has recently been found in the Petrin area maintained by IBL. The name is probably due to the fact that endemic echo parakeets feed on its fruit or seeds.

In addition, IBL Ltd also adopted a hectare (10,000 m²) of Ebony Forest in Chamarel in October 2018. In 2018-19, the site will be weeded and endemic species planted. More than 150 partners will benefit from the site's educational tours, while IBL employees will be encouraged to visit the project with their families. This will help promote Ebony Forest's conservation work and teach visitors to respect the environment.

These two projects are part of a national Government of Mauritius, UNDP and Global Environment Facility (GEF) initiative on "Expanding Coverage and Strengthening Management Effectiveness of the Protected Area Network (PAN) in Mauritius".

Similarly, IBL's environmentally-friendly annual sports event, Ze Dodo Trail, works with local NGO FORENA and the National Park and Conservation Services to protect and rehabilitate endemic and indigenous forest in a popular part of the Black River Gorges National Park. Invasive alien species were eradicated from 500 m² of parkland in October 2017, with an additional 500 m² weeded in April 2018. According to FORENA, 130 plants were planted in 2017, resulting in carbon savings of 110.1 kg, while 1181 people participated in the trail run. In 2018, 145 plants with a carbon footprint of 119.5 kg were planted, while 1213 runners took part in the race.

Raising employee awareness: Changing mind-sets and encouraging action

IBL seeks to raise its employees' awareness of subjects including recycling, the Circular Economy and zero food waste initiatives. We send regular memos to staff and also spearhead initiatives such as our regular organic market. Next year, we plan to include an e-module on sustainability within team members' induction packs, and to run a sustainability awareness workshop.

06

PREVENTING CORRUPTION



Good governance: a prerequisite to achieving IBL's ambitions

IBL's Board of Directors is committed to enforcing robust governance practices across the Group. It firmly believes that good corporate governance enhances decision-making and investor trust, thereby creating sustainable value for shareholders and stakeholders and enabling transparent dialogue with them.

The Board sets general strategies and policies and ensures they are implemented with support from highly experienced and professional senior governance officers. In addition, the Board has established three specialised sub-committees to provide it with advice and support: a Corporate Governance Committee, Audit & Risk Committee, and Strategic Committee.

Group anti-corruption policy

In 2018 IBL's Board of Directors approved an anti-corruption policy applicable to all employees and Directors. Its objectives are to:

- Reinforce IBL's commitment to anti-corruption compliance;

- Set out IBL's standards of conduct for the prevention of corruption;
- Define procedures to mitigate/reduce IBL's corruption risk; and
- Communicate and review the policy and its associated procedures on a regular basis.

The policy will be made public shortly. IBL's Ethics Officer is devising a communication strategy to best promote the policy; raise awareness of it among IBL's team members; and convey the importance of IBL's fight against corruption and related behaviours. The Code should be read in conjunction with the Group's Code of Business Ethics. A breach of the Code on the part of a team member may lead to disciplinary action being taken against them.

IBL is committed to conducting appropriate and reasonable due diligence with regard to the reputation and integrity of any business in which it invests.

To continue to improve our risk management systems and better define, mitigate and monitor emerging risks, IBL has appointed a new Head of Risk Management, Compliance & Regulatory Affairs. We also strengthened our internal Audit function by appointing a new Head of Internal Audit in October 2018.

07

CSR AT IBL TOGETHER



Creating a brighter future for all

IBL's corporate social responsibility (CSR) work is a key part of IBL's wider sustainability approach. It is a particularly crucial part of our stakeholder engagement and of our efforts to invest in the communities we work in. IBL delivers CSR work through Fondation Joseph Lagesse, the AfrAsia Foundation, the Helping Hands Foundation at Phoenix Bev, A Small Step Matters as well as via CSR committees within individual IBL businesses.

Fondation Joseph Lagesse

The primary channel through which IBL disburses corporate social responsibility is Fondation Joseph Lagesse (FJL). It was set up in 2005 by Arnaud Lagesse, now IBL's Group CEO.

FJL's vision for 2018–19 onwards is to reduce poverty sustainably in Mauritius by:

- Supporting livelihoods;
- Promoting social justice and human dignity;
- Contributing to young people's growth and development;
- Providing access to high-quality education; and
- Empowering communities.

These aims are in line with the following Sustainable Development Goals (SDGs):

- SDG 1: No Poverty
- SDG 3: Good health & well-being
- SDG 4: Quality education
- SDG 11: Sustainable cities & communities

In order to achieve these goals, the foundation runs short-term in-house projects; manages long-term "corporate programmes" focused around each of its priority areas; and supports external NGOs. FJL seeks to reduce poverty by working in the following areas:



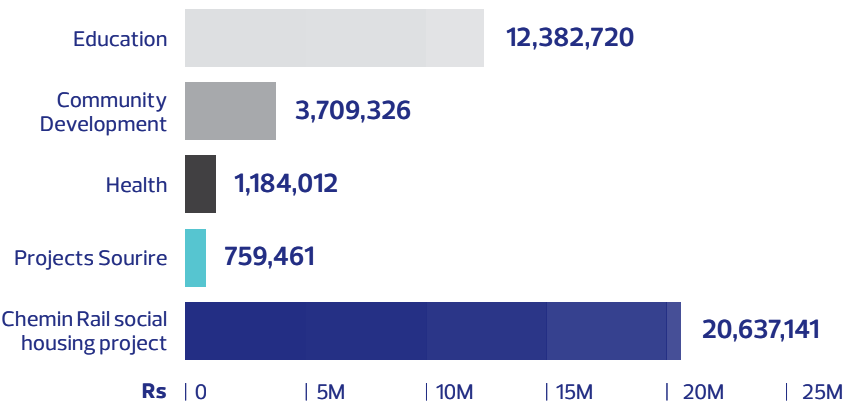
Education

Health



Community development including small-scale community projects known as "Projets Sourire"

ALLOCATION OF FUNDING BY PRIORITY AREA (NON-AUDITED)



Projets Sourire: Strengthening IBL's engagement with the local community

Projets Sourire are local community projects that are managed by CSR Committees within IBL businesses. These small-scale or one-off projects, consisting of donations of supplies for instance, are run in areas where IBL is present or in which its employees live. Their aim is to strengthen local relationships between IBL and the community and to encourage IBL team members to become CSR volunteers.

In 2017–18

- 18 short-term in-house projects were run, reaching over 300 direct beneficiaries, of which more than 175 children, 50 young people and 180 families.
- 4 long-term corporate programmes were run.
- Funding was provided to NGOs including Caritas (Centres d'éveil), Kinouété, Soleil de L'Ouest, Terre de Paix, Passerelle, Tipa, Mission Verte and Mouvement Bien-Être de Batterie Cassée.



A challenging environment for CSR in Mauritius

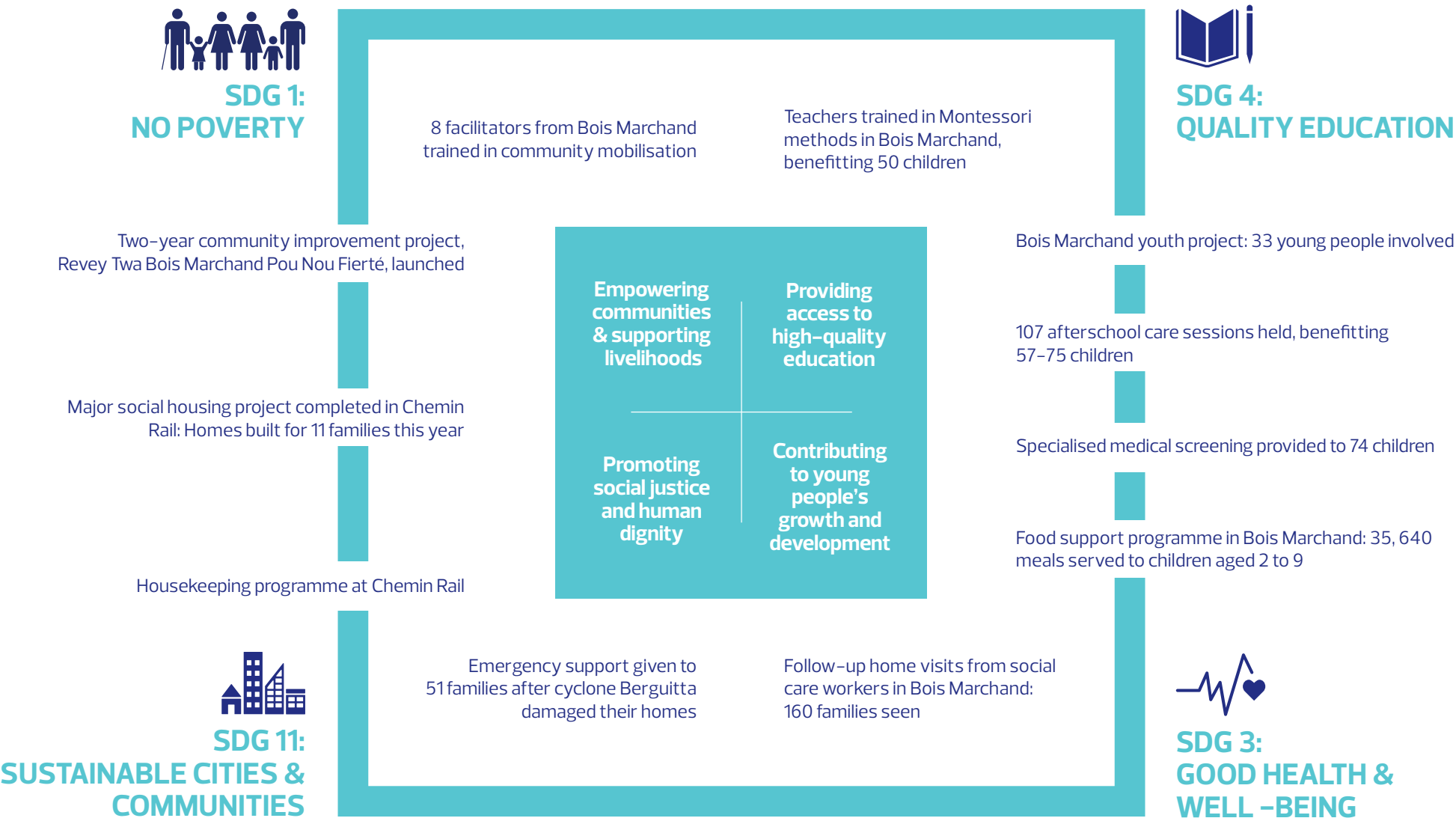
Fondation Joseph Lagesse receives CSR funds from almost 100 different IBL companies and offices. It relies on these funds in order to operate. It also relies on non-CSR donations from other companies or individuals.

In the past year, FJL has experienced a major reduction in its CSR funding due to new Mauritian CSR regulations. These require 50% of corporate CSR funds to be transferred to a new national CSR fund administered by the National CSR Foundation. As a result, FJL has had difficulty in carrying out its own long-term corporate projects in education and health while continuing to fund its partner NGOs.

This government CSR levy is set to increase to 75%. FJL is therefore having to withdraw from its funding relationships with external non-profit organisations. However, its new research unit will use evaluation, community research and impact analysis to maximise the Foundation's effectiveness, allowing us to continue to reduce poverty in Mauritius in the long term.

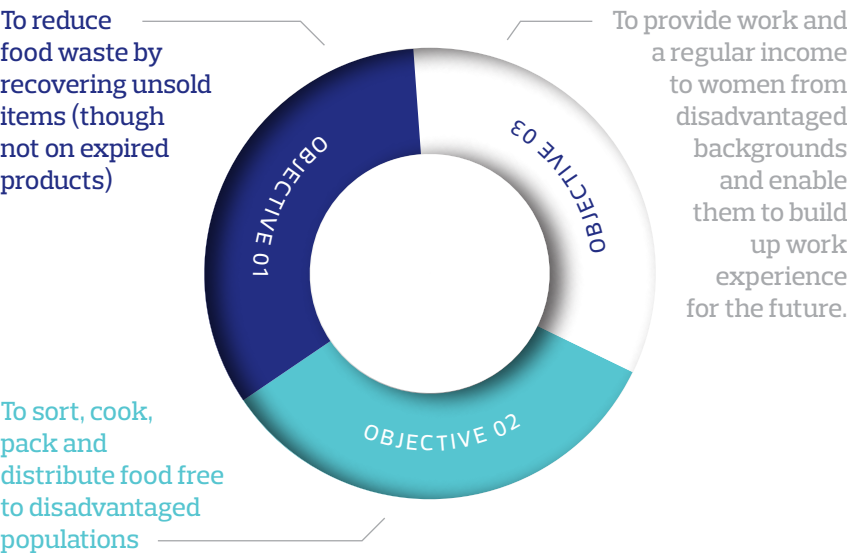
FJL also plans to seek funding from and create meaningful partnerships with international organisations. It is already working with the Community Anti-Drug Coalition, an international NGO, to implement a unique community programme that aims to reduce substance and alcohol misuse in underprivileged neighbourhoods in Mauritius.

Despite the challenging environment for CSR in Mauritius, FJL intends to continue to develop its expertise in community development; encourage IBL team members and businesses to get involved in community service and create local CSR initiatives; and deliver on impactful programmes that empower vulnerable people and communities and sustainably reduce poverty in Mauritius.

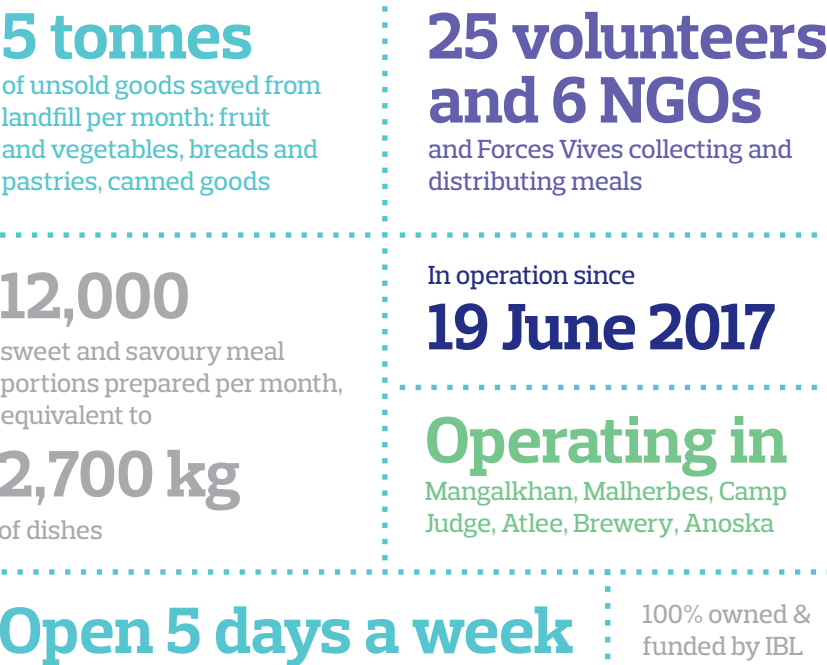


Solidarity Kitchens

IBL Ltd also partners on "Les Cuisines Solidaires" (Solidarity Kitchens), a pilot project with three objectives:



At a glance:





TOGETHER

**TOGETHER
FOR A BETTER
TOMORROW.**

.....
An IBL Sustainability Initiative.

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