



**WE ARE AT THE
FOREFRONT OF
TRANSFORMATIVE
CHANGE.**

RISK MANAGEMENT REPORT

1. INTRODUCTION

During this financial year, IBL pursued its Beyond Borders strategy and has established itself as an important player in the Indian Ocean and East Africa. As a regional conglomerate, IBL's risk profile is highly exposed to global volatility and risks. This year, we experienced numerous global and regional challenges which impacted the Group both directly and indirectly, testing its resilience. We have been navigating through the effects of the continued war in Ukraine, high levels of interest rates, civil protests in Kenya, several elections across the world, and a major disruption caused by a software update, amongst others.

Therefore, our risk radar will be focusing on issues such as inflation trend, currency fluctuation, cyber threat sophistication, the increased use of Artificial Intelligence technology, climate change issues, extreme weather events, and conflicts and instability across the globe. All of these factors will have direct or indirect impact on the Group's strategy in the short, medium to long term, and will necessarily require our utmost attention.

In this context, IBL's leadership has enhanced its capabilities and is concentrating its resources to address the above challenges and seize eventual opportunities. More information is available in section 8 of this report where the Group's top risks and their respective mitigations are detailed.

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 the Group level, as well as the development of its People through the IBL Academy.

**Extend and adapt our risk management framework to foreign operations by:**

- Developing a tailored approach to support foreign Operations to ensure alignment with Group governance standards

**Digitalise our risk management processes by:**

- Considering Artificial Intelligence as an efficient solution to support risk management and compliance activities across the Group

**Align our risk management processes with sustainability requirements by:**

- Collaborating closely with IBL's sustainability function so that risk management supports sustainability initiatives and responses to climate change and climate-related risks

**Continue to strengthen our risk management maturity through education and training by:**

- Adapting our risk management and compliance services to the needs of IBL by growing capabilities and expertise within the Group

3. RISK MANAGEMENT ACTIVITIES DURING THE YEAR

The below table provides an overview of the risk management activities during the year.

Activities undertaken:	To the benefit of:	IBL Ltd Level	IBL Operations Level
1. Risk Management			
- Development of risk registers across IBL businesses - Development and review of risk appetite statements across the Group - Advice on key risk indicators when requested by IBL Companies - Risk discussions prompted in all relevant forums across the Group - Facilitation of risk assessments exercises in IBL companies - Identification of emerging risks - Update of IBL Group Top Risks and controls - Annual assessment of IBL Group Top Risks - Discussions on specific risk aspects at Internal Risk Committee level - Reporting on risk matters to Chairman of IBL Finance, Audit and Risk Committee (FARC) and at FARC level - Review of and provision of advice on risk governance models for IBL businesses - Review and provision of advice on specific risk mitigation solutions - Oversight of Group general insurances and specific insurances - Review of insurance adequacy where required - Participation in insurance renewal meetings with IBL companies - Visiting Kenyan operations to develop closer working relationships			
2. Data protection			
- Assistance to IBL businesses in the implementation of the Data Protection Compliance programme - Various trainings provided to IBL Operations and Data Protection Officers on Data Protection - Training provided to Data Users across IBL businesses to build and embed a data protection mindset - Celebration of World Privacy Day on 28th January to raise awareness on the importance of data privacy - Organisation of IBL Data Privacy Challenge 2024 and the “One Day – One Privacy Initiative” during the data privacy week - Animated a webinar on online privacy during the cybersecurity week			

Risk Management Report

Activities undertaken:	To the benefit of:	IBL Ltd Level	IBL Operations Level
3. Business continuity			
Business continuity workshops Review and update of Business Continuity Plan (IBL Ltd) Support to develop and update Business Continuity Plans (IBL Operations) Digitalisation of Business Continuity Plan (concept stage ongoing) Assistance provided to IBL businesses in compiling/reviewing their Business Continuity Plans Business continuity communication (Together Magazine)			
4. Compliance			
Strengthening of IBL's compliance management framework and development of similar framework for IBL businesses Support and assistance provided to IBL businesses in addressing compliance gaps and closing audit findings Assistance provided to IBL businesses in drafting and implementing specific policies Special assignments in certain IBL businesses to formalise and strengthen specific controls Development of compliance support approach for East African businesses Sharing platform on regulatory matters for specific operations Set up of an IBL Group compliance forum to share best practices, standardise the compliance approach and support IBL Operations on regulatory and compliance matters			

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 locally and abroad. 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
Low	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: Identification of risks Identification of existing controls Assessment of risks Improvement plan Monitoring Reporting
Medium	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: Identification of existing controls Assessment of risks Improvement plan Monitoring Reporting
High	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: Monitoring Reporting

5. RISK GOVERNANCE

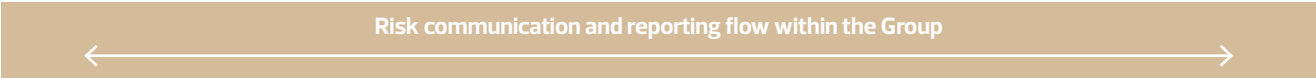
Our risk governance framework has been set up to provide assurance to the Board that the risk management processes in place are effective.

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 and operating units. Furthermore, the risk management structure must also adjust to differing regulatory and legal requirements applicable to IBL subsidiaries and operating units, locally and abroad.

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

Risk Management Report

Risk Champions in IBL Subsidiaries & Operating Units	Board of Directors of IBL Subsidiaries & Operating Units	Group Risk Management function at IBL Ltd	Finance, Audit & Risk Committee of IBL Ltd	Board of Directors of IBL Ltd
· Determine risk maturity · Identify risks and controls · Design own risk registers · Nominate risk and control owners · Carry out risks and controls monitoring on a regular basis · Keep Group Risk Management function informed on implementation of Risk Management Framework (RMF)	· Approves implementation of Group RMF and sets risk appetite · Nominates risk champions to manage risks with support from Group Risk Management function · Assesses risks and consolidates a list of material risks to be included in the risk register · Reports main risks to the Group Risk Management function	· Drives Risk Management across the Group · Facilitates implementation and assesses the performance of Group-wide RMF · Assesses reported risks and prioritises those to be reported to the Finance, Audit & Risk Committee of IBL Ltd (FARC) · Maintains, monitors the evolutions and reports on Group risks · Provides training on Risk Management to develop awareness and risk culture · Provides tools and guidelines to cultivate risk-based approach for launch of new projects · Reports risk information/ intelligence to the FARC · Drives brainstorming on specific risk matters with Internal Risk Committee · Contributes to other sub-committees on risk	· Approves the risk management framework, policy, strategy and plan, implementation, appetite and tolerance · Reviews the adequacy and effectiveness of the risk management framework · Approves the setting-up of internal sub-committees · Reports risks to the Board of Directors of IBL Ltd	· Endorses, oversees and maintains the entire risk management system · Reviews the Company's risk appetite and Group's risk appetite parameters (where relevant) · Delegates risk governance duties to relevant Board committees



Responsibilities/ Area of focus	TYPICAL RISK MANAGEMENT ROLES					
	Board	Finance, Audit & Risk Committee	Risk Management function	Risk Champion	Risk owners	Control owners
Risk management approach and process	A	C	R	I		
Implementation plan	I	A	R	R	C	I
Risk management policy	I	A	R	I		
Risk management guideline	I	A	R	I		
Risk appetite & tolerance	A	C	R	R	I	I
Risk registers & dashboard	I	I	R	C	C	C
Risk mitigating action plan	I	I	C	A	R	I
Monitoring of risks	I	I	I	A	R	R
Effectiveness of controls	I	I	I	A	R	R
Risks Reporting (existing & emerging)	I	A	R	R	C	
Training & awareness	I	I	R	R	I	
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) conducting risk management training and awareness sessions for IBL leaders and risk champions; (ii) assisting IBL businesses in developing their risk appetite statements and key risk indicators, as well as developing and updating their risk registers; (iii) facilitating risk assessments and reporting, communicating, and sharing important risk management information, 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 ST LINE OF DEFENCE	2 2 ND LINE OF DEFENCE	3 3 RD LINE OF DEFENCE
People manament, Internal processes and technology	Oversight funtions such as risk management, compliance and safety & health	Internal & External Audits

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

The Head of Risk Management & Compliance attended two meetings of the IBL Finance, Audit and Risk Committee (FARC) held on 09 August 2023 and 03 May 2024.

Risk Management Report

During these meetings, the Committee was able to consider matters such as:

- Review and approval of the Risk Management Report for IBL's Integrated Report 2022/23
- Consider the risks dashboard and discuss the Group top risks and their trends
- Discuss the risk assessment process
- Review IBL's risk appetite and statements
- Consider East African risk factors and
- Emerging risks.

In addition, the Head of Risk Management & Compliance and the Chairman of the FARC 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
 Dipak Chummun ¹	Group CFO
 Cédrik Le Juge de Segrais ²	Group CFO
 Preetee Jhamna	CFO Group Operations
 Thierry Labat	Group Head of Corporate Services
 Christine Marot	Group Head of Technology & Sustainability
 Olivier Decotter	Head of Risk Management & Compliance (Chairs the committee meetings)

The IRC met on a regular basis and focused on the following matters during the year:

- Reviewed IBL's risk appetite and statements in the context of the implementation of the Beyond Borders strategy
- Reviewed and updated IBL's Group Top Risks for this year
- Reviewed and refreshed the risk assessment methodology
- Selected IBL Group Top Risks for assessment this year
- Reviewed current insurances and discussing on new insurances
- Discussed the period of insurance and scope of insurance renewal meetings
- Discussed Emerging Risks

¹Up to 01 August 2024
²As from 01 August 2024

IBL's Information Technology Committee

In 2021, the FARC 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 FARC on the affairs of the ITC. Detailed information about IBL's ITGF and the composition of the ITC is provided on page 154 of this Integrated Report.

8. IBL's RISK APPETITE

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

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

As a result of the implementation of IBL's Beyond Borders strategy, the Company's portfolio has evolved and shifted from one predominantly concentrated in Mauritius to a portfolio which is more evenly balanced between Mauritius, East Africa and the Indian Ocean islands following recent investments in the Commercial, Health and Energy sectors in Kenya and Reunion Island.

To achieve its strategic objectives, the Company will have to take a reasonable number 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 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 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 this Risk Appetite is accepted. However, any exception considered, 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, expressed in the form of statements, has been framed around the Company's main risk areas, as outlined below:

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

This Risk Appetite, adopted by the Board of Directors of IBL Ltd in 2022, is reviewed on a regular basis.

Risk Management Report

Risk Areas		Risk Appetite Statements
Investment	Strategy	· IBL's investment strategy is to hold a portfolio of investments in companies in which it can generally act as an anchor partner and create sustainable value for all its stakeholders over the long term. To that effect, IBL has a long-term investment horizon with no predefined exit strategy in mind. · In pursuing its investment strategy, IBL will, on the local front, preserve its core Mauritian investments and, on the international front, expand its reach in the region, mainly in East Africa, by investing in businesses where its subsidiaries have world-class expertise and in fast-growing sectors. · IBL reckons that investments are risky in nature and that risk exposure varies according to the sector and/or geography. On a project basis, IBL will allocate a budget for investment in start-ups and R&D. · IBL will avoid investing in countries demonstrating high geopolitical risk. It will also avoid investing in countries and businesses where policies and practices are contrary to IBL's values and governance principles, including sustainable development goals. · IBL may resort to arbitrage to finance its strategic opportunities. For example, it may do so by deciding to disinvest from mature investments, from investments that no longer fit its strategy or from investments that are no longer aligned with its sustainable development commitments.
	Execution	· In executing its investment strategy, IBL will aim to ensure that its portfolio of investments remains sufficiently diversified across growth industry sectors and chosen geographies. · IBL will generally seek to acquire a controlling stake in a business ("path to control"). However, depending on its size or sector, IBL will be open to consider acquiring an initial minority stake alongside a trusted partner (some of whom may be looking for "a path to exit") with the possibility to build up its shareholding to a controlling position at a later stage. · Capital investments in greenfield projects will not be substantial, except for innovative and/or opportunistic projects in collaboration with strong and skilled partners in specific growth industries. · New investments and projects are executed with due regard to sustainability principles which are value creation drivers. · IBL will draw on best practices and its own lessons learned from past experiences, applying strict guidelines on all Mergers & Acquisitions (M&A) evaluations and potential transactions. When a potential M&A transaction materialises, appropriate procedures must be laid out to ensure that the transaction is executed in the most efficient manner. Where IBL acquires a new investment, a clear transition approach for post-merger acquisition is in place.
Management & Governance		· IBL is committed to standing as a trusted partner for its stakeholders. · IBL is committed to ensuring strong corporate governance practices across its portfolio. · The Board of IBL is committed to including members of excellent reput, integrity and competence to drive its strategy, and to applying a stringent process in the selection of Directors recognising the importance of diversity at Board level. · IBL's representatives, who act as Directors on the Boards of subsidiaries and associates, will always be members of excellent reput, integrity and competence. · The Boards of IBL and its listed subsidiaries and associates will perform regular Board and Director evaluations to monitor their respective performance in compliance with best corporate governance practices. · IBL will follow appropriate procedures (including due diligence) to ensure that its strategic and commercial partners are promoting the highest standards of integrity, governance and values.

Risk Areas	Risk Appetite Statements
Reputational	· IBL enjoys a solid reputation in Mauritius, East Africa and the Indian Ocean islands. It considers its brand and the reputation of its people as a key strength towards achieving its objectives. · IBL commits to adopting the highest standards of ethics in all its activities to avoid damaging the strong reputation it has developed amongst its stakeholders. · IBL will continuously build, enhance and protect its reputation and brand through transparent communication with all its stakeholders. · IBL will continue nurturing and deploying the principles set out in its Code of Business Ethics.
Operational	· IBL is very concerned by the rising trend of cybers ecurity threats and will continue to invest in top-class cyber security solutions, including user awareness, to consolidate its cyber resilience, as well as the resilience of its investees, to protect its assets and stakeholders. · IBL fiercely condemns fraud, corruption and related behaviours and will continue its fight against these plagues. As a key deterrent to these plagues, IBL will encourage whistleblowing and provide all necessary safeguards to protect whistle-blowers.
Financial	· Funding is key to IBL's expansion and growth. IBL can avail of a range of financing options, such as raising capital from the public or sophisticated investors or seeking facilities from banking partners. IBL will always select the most suitable financing option for its investment projects. · IBL will actively manage its gearing level to fit its long-term strategy. · IBL will avoid speculative investments or operations, and its finances will always be managed in a prudent and responsible manner.
Compliance	· IBL considers compliance as a key element of its risk management and internal control environments. Hence, IBL will dedicate the necessary resources to embed a strong compliance culture and framework across its portfolio aiming at always reaching maximum compliance with laws, by-laws, regulations and applicable policies, procedures and standards. · IBL will not allow any of its activities to be a channel for money laundering or terrorism financing. IBL is therefore committed to applying Anti-Money Laundering and Combatting the Financing of Terrorism ("AMLCFT") best practices to fight these crimes.
People	· IBL's people are its most important asset. IBL is dedicated to creating an environment in which its people can thrive and feel fulfilled. · IBL is a certified <i>Great Place To Work®</i> and will continue nurturing a work environment that is optimal to safeguard the safety and health of its people, providing opportunities for professional and personal development, and promoting diversity, agility, mobility and inclusion across the organisation. · IBL will seek to hire the right people in terms of their attitude, skills, competence and agility, and build high performing teams.
Sustainability	· IBL is committed to acting as a responsible corporate citizen. IBL will thus apply sustainable principles in its decision-making process and strategic initiatives. · IBL's sustainability objectives are geared towards contributing to society, sustainable solutions and responsible actions. · IBL will strive to always improve the ecological footprint of its activities, assets and people.

Risk Management Report

IBL GROUP TOP 15 RISKS

As in previous years, IBL carried out an annual risk assessment of its Group top risks. During a risk rating exercise, a rating panel was tasked with ranking 36 main risks. These 36 main risks were pre-selected by IBL's Internal Risk Committee out of a list of more than 50 risks. This year's rating panel, which comprised IBL's executive team, also welcomed the participation of IBL's Directors.

This year's list included three new top risks, namely Talent Scarcity, Digital Opportunity and AI abuse, which ranked 7, 21 and 26 respectively. To note, that Talent Scarcity risk, which is an offshoot of the Talent Management risk, ranked in the Top 15 Group Risks on its first assessment with a Medium Low residual score.

Most of our top risks are strategic and dependent on external factors which are mainly driven by causes that are generally outside IBL's control.

Triggers that are affecting the Group's risks trends during the year under review are principally:

Geopolitical	Economical	Climatic	Technological	Regulatory
Political transitions across the world and regional instability, conflicts, tensions, sanctions, supply chain	High interest rates, currency fluctuations, currency availability, national debt, unemployment, price of commodities	Climate change and sustainability-related issues, extreme weathers due to global warming, climate related disclosures	New cyber threats, increased use of AI tech, reliability of data/information, reliance on service providers	Change in government policies as a result of geopolitical, economical, climatic and technological triggers and new trends
Factors affecting these 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 organisational policies, governance, capacities, arrangements, resources and other factors.				
INTERNAL FACTORS EXTERNAL FACTORS				

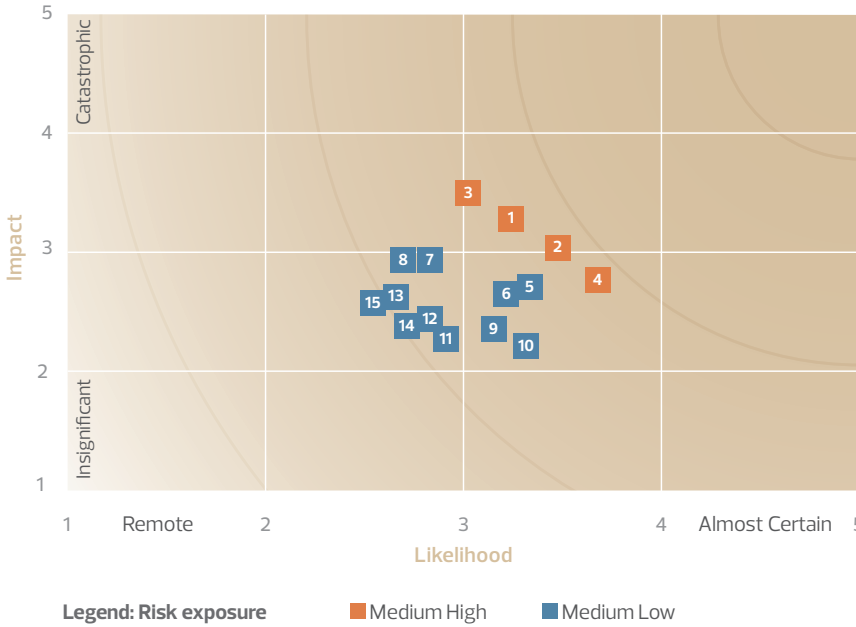
We have included the probable impact of external factors on our top risks in the table below.

Heat Map – IBL GROUP TOP 15 – Residual Risk Rating

Furthermore, regarding proximity, some of our top risks have a short-term horizon because they are related to the current context, for example risks no. 1, 2, 4 and 7. Other risks have a medium to longer-term outlook such as risks no. 3, 5 and 6.

Finally, as shown on the Heat Map and table, 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 previous ranking as a baseline.



Ranking 2024	Risk Time	Risk Exposure	Trend vs 2023
1	Cybersecurity threats	Medium -High	↓
2	Regional instability	Medium -High	↗
3	Sustainability of tuna stocks*	Medium -High	↗
4	Forex fluctuations	Medium -High	↘
5	External conditions	Medium-Low	↗
6	Climate Change (Physical)	Medium-Low	↘
7	Talent scarcity	Medium-Low	New
8	Capital investments abroad	Medium-Low	↗
9	Market conditions	Medium-Low	↓
10	Volatility of commodities price	Medium-Low	↘
11	Global inflation	Medium-Low	↗
12	Government Policies	Medium-Low	↗
13	Markets concentration	Medium-Low	↗
14	Sustainability of National Debt	Medium-Low	↘
15	Climate Change Transition	Medium-Low	↘

*Seafood Cluster is mainly exposed to this risk

Previous top risks which are no longer among IBL's TOP 15 risks in 2024

Risk	Ranking 2024	Ranking 2023
Water Stress	17	10
Attractiveness of Mauritius	18	14
Talent Management	19	6
Succession Planning	24	15

Risk Management Report

Rank
1
Risk Title
Cybersecurity threats
Risk description
Increasing attempts of cyber-attacks, potentially leading to major disruptions in critical systems and work infrastructure, loss or theft of critical data and information leakages, causing a halt in operations, financial loss and reputational damage.
Risk Factors

Mitigations
· Ongoing implementation of IT governance framework within IBL Group · IT Committee in place, reporting to the Audit & Risk Committee · Cyber/IT security strategy developed for IBL Ltd, with development in progress in IBL Operations · Due diligence and security assessments of external vendors/ service providers undertaken · Strengthening of cybersecurity capability at Corporate Office to support IBL Operations · Financial resources deployed to enhance IT security · Bi-monthly COO Forum to share Cybersecurity updates & initiatives · Pursuing the implementation of IT Security Policies throughout the Group · Implementation of Incident Management Policy and Cybersecurity Incident Response Procedure, approved by the Group IT Committee · Continuous evaluation of IT security solutions for the Group · Implementation of AI-Powered antivirus solution within the Group · Vulnerability Assessments and Penetration Testing exercises undertaken · Embedding security in technology projects · Awareness of security best practices and IT security risks continuously refreshed and strengthened at all levels within the Group

Rank
2
Risk Title
Regional instability
Risk description
Political, social and economic instability in East African countries where IBL intends to grow its activities intensively impacting investments, revenues and people.
Risk Factors

Mitigations
· Diversification of activities in the region · Nurturing of positive relationships with relevant stakeholders and retention of experienced advisors to foresee eventual changes that might negatively affect businesses · Strong presence on the ground (dedicated office and resources) and improved knowledge of local context and business culture · Monitoring of presence/exit of international financial players (banks, insurance) and embassies · Safe travel guidelines defined · Country risk assessment framework in place · Close monitoring of incident reports with the help of security consultants · Insurances in place at investments level · Support from local security consultants to protect our people and assets in case of civil unrests

Rank
3
Risk Title
Sustainability of tuna stocks
Risk description
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.
Risk Factors

Mitigations
· Ongoing lobbying of the Indian Ocean Tuna Commission (IOTC) to pass resolutions enabling the sustainable management of tuna stocks in the Indian Ocean · Through the Sustainable Tuna Association (STA), direct messages are being shared to Government and public at large, as well as to the EU Commission · Through the STA, IBL has a joint aligned position with Princes Tuna regarding sustainability and trade negotiations approach · STA has recruited a consultant based in Brussels to strengthen its lobbying actions · New management measures and quota introduced for Bigeye in May 2023 · Increased participation in IOTC Working Groups, Scientific Committee and Commission meetings as part of the Mauritian delegation · Partnership agreement with EU for seafood: 0% duty on exports/ quota free · Maintain good relationships with the Ministry of Fisheries and the Ministry of Foreign Affairs · In May 2024, the IOTC adopted an ambitious and stringent management framework for drifting Fish Aggregating Devices (FADs) · IOTC has agreed on new management procedures for skipjack tuna, enabling more informed, automatic and science-based decision-making · Yearly tuna fishing closure of one month adopted by Government of Mauritius

Rank
4
Risk Title
Forex fluctuations
Risk description
Adverse fluctuations in principal currencies and the Mauritian rupee, impacting revenues for our import/export operations, and potentially negatively affecting the price of products and services, causing a decline in competitiveness.
Risk Factors

Mitigations
· Group Treasury service to assist businesses in assessing and alleviating the impact of forex shortage · Diversification of activities and income sources worldwide · Intra-group forex conversion culture in place to maximise sources of forex through the Group, whilst minimising our recourse to banks · Where and when applicable, creation of hedging strategies to match budgeted conversion prices while protecting companies (partially or in full) from exposure to foreign currencies

Risk Management Report

Rank
5
Risk Title
External conditions
Risk description
Rise in interstate armed conflicts, terrorism threats and tensions in the world creating multiple adverse economic, environmental and social hardships such as global inflation, pressure on national debts, resource stress, population migration, and disruption in energy supplies, all of which can directly and indirectly impact the performance of the Group.
Risk Factors
Mitigations
· Geographical diversification of the Group/diversification of activities abroad The Group has no material, direct or indirect, financial or operational exposure to Russia or Ukraine · Constant monitoring of current macroeconomic and geopolitical events and the potential impact as regards our growth strategies and key stakeholders · Constant monitoring of cybersecurity threats (as a possible consequence of the war) · National measures taken to help contain the ripple economic effects of external shocks · Improving operational efficiency and productivity of businesses, as well as stringent cash flow management to help navigate the uncertainties of the current global context · Prudent approach to investing to ensure sustainable results and growth · Increased security protocols and crisis management plans · Safe travel guidelines defined · Subscription to travel insurances when travelling abroad · Constant monitoring of local presence of competitors, banks and other international companies in countries where IBL operates · Increase our security intelligence in high-risk countries

Rank
6
Risk Title
Climate Change (Physical)
Risk description
Climate change, resulting in more extreme weather events, extreme temperatures, droughts, fires, destruction, floods, resource scarcity, famine, species loss, among other impacts; brand damage for those contributing negatively, and direct adverse effect on our people, assets and operations.
Risk Factors
Mitigations
· Disaster recovery plans to limit impacts · Execution of drainage masterplan in some companies · Cyclone and torrential rain/flash flood procedures in place · Drainage and water accumulation controls in place · Insurance policies to cover operational losses caused by natural catastrophes (rainfall, cyclones and droughts) · Remote working capabilities · National measures taken to mitigate climate change effects (beach protection, landslide and flood management) · Use of more efficient modes of transport · Move to more efficient buildings (LEED Certified) · Flash-flood barriers in new buildings · IBL Energy provides internal team training for high and low voltage · Monitoring of minor waterways between compound buildings · Investment to ensure a certain level of integrated stormwater management in the vicinity of the IBL Business Park, Riche Terre · Improvement works at Cassis Business Park to prevent stormwater from entering the premises from the roadside · Structural engineering expertise used for drainage impact assessments on several sites · Stormwater runoff at Bluelife & Azuri, with a network using natural drains and retention ponds has been designed

Rank
7
Risk Title
Talent scarcity
Risk description
Demand for talent exceeding the available supply in the job market leading to disruption in operations, lack of competitiveness and slow growth.
Risk Factors
Mitigations
· Attractive package and work environment with an interesting career path at IBL · Some specific competences can be externalised to service providers · Business continuity plans, and identification of critical roles carried out to ensure that key functions have a back up · Partnerships with technical schools, universities, institutions · Participation in job fairs · Set up of internal schemes to build up skills of youngsters (for employability purposes) · Communication strengthening employer brand · Recruitment of foreign talents · Provision of bursaries and education sponsorships · Strengthening Employer Value Proposition (including Great Place To Work certification) to attract Mauritian diaspora · National measures to ease recruitment process of foreign workers · National measures to facilitate access to education · At national level, implementation of policies and programmes that create a favourable environment for foreign professionals

Rank
8
Risk Title
Capital investments abroad
Risk description
Management of significant capital investments in projects abroad.
Risk Factors
Mitigations
· Retention of intelligence and learnings from past failures in Africa · Board Strategic Committee in place to review investment projects · Dedicated IBL East African office and resource in Kenya to identify opportunities within given set investment framework and guidelines · COOs based in Kenya overseeing IBL's East African investments and operations · Well-structured M&A process and experienced team in place · Clear and structured approach to allocation of capital to projects and active portfolio management · Operational, legal, tax, financial and reputational due diligence on targets and their principals · Identification and training or recruitment of talent for new/key project positions · Enhanced risk management activities and reporting in the M&A process

Risk Management Report

Rank
9
Risk Title
Market conditions
Risk description
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.
Risk Factors

Mitigations
· Intra-group forex conversion culture. IBL promotes sales of foreign currencies by Group forex sellers, ensuring that forex buyers can purchase foreign currencies from the Group · Negotiation of extended payment terms with foreign suppliers when required · Strict management of cash flows and forecasts · Group entities are encouraged to open and use new bank accounts and facilities such as overdraft and import loans · Where and when applicable, creation of hedging strategies to match budgeted conversion prices while protecting companies (partially or in full) from exposure to foreign currencies

Rank
10
Risk Title
Volatility of commodities price
Risk description
Volatility in the price of commodities (including raw materials), impacting margins and performance, worsened by possible shortages in view of disruptions in the supply chain.
Risk Factors

Mitigations
· Mitigation plan defined, including potential price adjustments and diversification of sources · Development of appropriate hedging mechanisms · Close monitoring of factors that generally affect commodity prices · Focusing on local production capacities · Use of controlled pricing mechanisms when entering into certain contracts (such as construction contracts) · 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

Rank
11
Risk Title
Global inflation
Risk description
Persisting worldwide inflation trend and high interest rates adversely impacting customers' wealth resulting in declined performance of key local industries such as hospitality, retail, financial services and real estate in which IBL Group is exposed.
Risk Factors

Mitigations
· Geographical diversification of the Group · Tapping into new growth markets · Constant monitoring of key macroeconomic indicators such as interest and inflation rates · National measures to contain inflation and boost the economy · Close monitoring and prudent management of cash flows, budgets and cost of borrowing · Cost cutting measures implemented where necessary

Rank
12
Risk Title
Government Policies
Risk description
Unfavourable government policy decisions impacting group strategy and performance in Mauritius, and deterring foreign direct investments affecting sectors in which the Group has invested.
Risk Factors

Mitigations
· Geographical diversification of earmarked activities to strengthen resilience and reduce exposure to Mauritian market · Engagement with relevant stakeholders to achieve better import control/regulations and support for industry · Strengthening of presence in key private sector representative bodies and intensification of representations through them to assist decision and policy making by government · Active participation in consultations regarding national industry strategies · Focus on higher-margin products and services · Adapting businesses to align with national strategies for developing industries · Stringent cash flow measures · Collaboration with reputable law firms to better anticipate changes in legislations

Risk Management Report

Rank
13
Risk Title
Markets concentration
Risk description
Over-reliance on the performance of Mauritian and Kenyan business activities.
Risk Factors
Mitigations
Continued implementation of regional and international development strategies to export and develop businesses outside Mauritius Regional office in Kenya with a dedicated team driving the regional expansion strategy COOs based in Kenya overseeing IBL's East African investments and operations Portfolio and currency diversification Investments in Naivas, Harley's and Equator Energy (East Africa) Investment in Run Market in Reunion Island

Rank
14
Risk Title
Sustainability of National Debt
Risk description
Growing national debt leading to political, financial and fiscal crises adversely impacting IBL Group as a whole.
Risk Factors
Mitigations
Geographical diversification of the Group Improving operational efficiency and productivity of businesses, as well as stringent cash flow management to help navigate the uncertainties of the current global/national contexts Measures taken at the national level towards building resilience in the country's economy and public finances (i.e. reduction of public sector debt)

Rank
15
Risk Title
Climate Change Transition
Risk description
Failure to adapt our activities and take appropriate action regarding climate change events and natural disasters, leading to a shock in demand or supply, complete stop of operations, the loss of lives and substantial financial losses, and damage to assets.
Risk Factors
Mitigations
IBL Corporate Sustainability Committee (CSC) in place to drive changes highlighted by the Embedding Project's prioritisation radars Task forces being implemented to monitor each potential sustainability issue flagged by the radars and the CSC Raising awareness of ESG concerns and commitment to SDGs, with a particular focus on climate change and climate actions, social activities, gender equality Group Sustainability Policy and development of Group-wide strategy for sustainability and responsible business conduct Contractual strengthening and supplier network expansions to cater for supply chain shocks (Group-wide) Project revaluations with respect to aviation regulations and potential impacts on wildlife and infrastructure Engaging with local communities because of concerns regarding water treatment and effluent management Photovoltaic equipment installed on rooftops and sometimes on the ground, including in rural areas and forests Conducting thorough land assessments for photovoltaic installations, ensuring minimal disruption to ecosystems and wildlife habitats Companies operate as per the norms established by clients, which are guided by the prescriptions of their Environmental Management Plan attached to their EIA or Preliminary Environmental Report Hazardous chemical handling procedures and trainings conducted Environmental Impact assessments (EIAs) conducted to assess potential disruptions to animal habitats in forested areas Operational solutions in place to mitigate carbon emission impact such as carpooling, more efficient ways of working, etc Waste to Energy: Effluents from Princes Tuna – Seafood are transformed into propane and reinjected at Princes Tuna for by-products like pet food Criteria amendments for choosing contractors include engagement and responsibilities Building design for better medical waste management Water tests carried out periodically to ascertain levels of water quality to ensure norms are maintained Retrofitting of buildings with PV panels, as much as possible Plans to reduce solid waste and recycle food waste in the years to come Use of smart water metering to understand and optimise on water consumption Insurance coverage in place (fire and allied perils, business interruptions etc) Numerous other controls are being implemented at the level of each IBL company based on their respective priorities