



*United Nations Global Compact  
Communication on Progress  
2012*



# *Focused Energy, Every Day*

## **CEO's Message**

Dear Valued Stakeholders,

We are pleased to communicate on progress made towards the ten UN Global Compact principles since our last report in February 2012.

### **Sustainable Economic Management**

The year 2012 has been a year of challenges for the global economy and our businesses. The financial meltdown in countries of the Euro Zone coupled with the economic slowdown in India and China exacerbated the weakness of an already fragile Global Economy. The reliance and considerable economic linkages of Mauritius with Europe affected our economic growth. Several businesses of Rogers thus faced a decline in revenue with a strong rupee and high volatility on the foreign exchange market. The Hotel Industry suffered from the decline in tourists arrivals from Europe and downward pressure on hotel rates. Weak international trading conditions contributed to a significant drop in trade volumes in the logistics sector and while the consumer spending power remained stagnant, the Property Sector showed signs of slow down within specific segments.

Concurrently, pursuant to the restructuring plan announced in October 2011, the Financial Services Sector of the Group was reorganised and a portfolio of properties and four associated companies were transferred to the Cim Group. There have been a cross transfer of a selected portfolio of assets held by Rogers to Cim Financial Services Ltd. This culminated with the listing of that company on 30th October 2012.

Going forward, the Group will maintain its declared strategy of being a services conglomerate focused on the main chosen sectors, i.e. Aviation, Hospitality, Logistics, Real Estate and Financial Services. We have earmarked Technology as a sector for future development and we intend to maintain our presence in the financial services sector with the development of a new international asset management operation in partnership with international capital market players looking for a conduit to the region.

### **Maintaining our Social and Environmental Responsibilities**

Rogers upholds the importance of responsible, sustainable and transparent practices in strengthening its position in the business environment. Hence, for the year under review, a total amount of Rs 14.3m was dedicated to CSR projects. For the 5th consecutive year, the Group sustained its promise to commit half of its CSR investment in the fight against HIV/AIDS. For the first time since the beginning of the HIV epidemic, the curve of newly detected cases showed this year a downward inclination. The remaining funds were dedicated to projects initiated by various sectors of the Group. Our commitment and involvement in the nationwide fight against HIV/AIDS since 2007 featured as a best practice in the UNGC International Yearbook 2012.

Rogers will this coming year engage in a stakeholders dialogue to reevaluate its strategic objectives in contributing to the national vision of “Maurice Ile Durable” (MID) – Mauritius, a sustainable island. The National MID Policy for a sustainable Mauritius being in the process of adoption and publication, Rogers projects to embrace some of its objectives in its business strategy.

We reiterate our commitment to the UN Global Compact principles and vouch to continue working by the highest standards of good governance and integrity, while continuing the implementation of environmental-friendly processes and ensuring an empowering workplace.

A handwritten signature in black ink, appearing to read 'P. Espitalier-Noël', with a stylized flourish at the end.

Philippe Espitalier-Noël,  
Chief Executive Officer





*A diversity of people focused on customer satisfaction with a shared spirit of*

## *Leadership*

Building on Rogers pioneering culture

## *Agility*

Our ability to evolve in an ever changing environment



## *Dynamism*

The focused energy of our people  
to drive Rogers forward



SECTOR	AVIATION	SECTOR	FINANCIAL SERVICES	SECTOR	HOSPITALITY	SECTOR	
MAIN BRAND	ROGERS AVIATION	MAIN BRAND	ROGERS CAPITAL	MAIN BRAND	VLH Veranda Resorts Heritage Resorts	MAIN BRAND	
SERVICE BRAND	BlueSky Croisières Australes PATS Transcontinents Madagascar Mozambique Ground Handling Services Sabre Travel network  Air France Air Mauritius Air Seychelles South African Airways Saudi Arabia Airlines Kenya Airways Delta Airline Cargo Malaysian Airlines Airlink Air Madagascar Jet Airways Olympic Airlines Emirates Airlines Dubai Visa Services (South Africa & Mauritius)	SERVICE BRAND	Rogers Asset Management	SERVICE BRAND	Veranda Paul & Virginie Hotel & Spa Veranda Grand Baie Hotel & Spa Veranda Pointe aux Biches Hotel Veranda Palmar Beach Hotel  Heritage Awali Golf & Spa Resort Heritage Le Telfair Golf & Spa Resort Heritage The Villas C Beach Club Heritage Golf Club Le Château de Bel Ombre  Seven Colours Spa	SERVICE BRAND	
INVESTMENTS	Air Mauritius Ltd BlueConnect Ltd Mautourco Ltd White Palm Ltd	INVESTMENTS	Swan Insurance Company Limited The Anglo-Mauritius Assurance Society Limited Anglo-Mauritius Financial Solutions Limited	INVESTMENTS	Beachcomber Group (New Mauritius Hotels Ltd)	INVESTMENTS	

Brand Structure

LOGISTICS	SECTOR	PROPERTY	SECTOR	REAL ESTATE & AGRIBUSINESS	SECTOR	TECHNOLOGY
VELOGIC	MAIN BRAND	FORESITE PROPERTY	MAIN BRAND	DOMAINE DE BEL OMBRE	MAIN BRAND	EIS
FOM Sukpak PAPOL R'Frigo TNT Rogers Shipping	SERVICE BRAND	Ascencia G4S	SERVICE BRAND	Villa Valriche Terre des Sept Couleurs Frédérica Nature Reserve Café de Chamarel Le Chamarel Restaurant	SERVICE BRAND	EIS - IORGA
	INVESTMENTS		INVESTMENTS	SWTD (South West Tourism Development)	INVESTMENTS	Axa Customer Services Ltd

## ACTIONS TAKEN AND IMPACTS ACHIEVED REGARDING THE UNITED NATIONS GLOBAL COMPACT INITIATIVE

### HUMAN RIGHTS

Principle 1 – Businesses should support and respect the protections of internationally proclaimed human rights; and

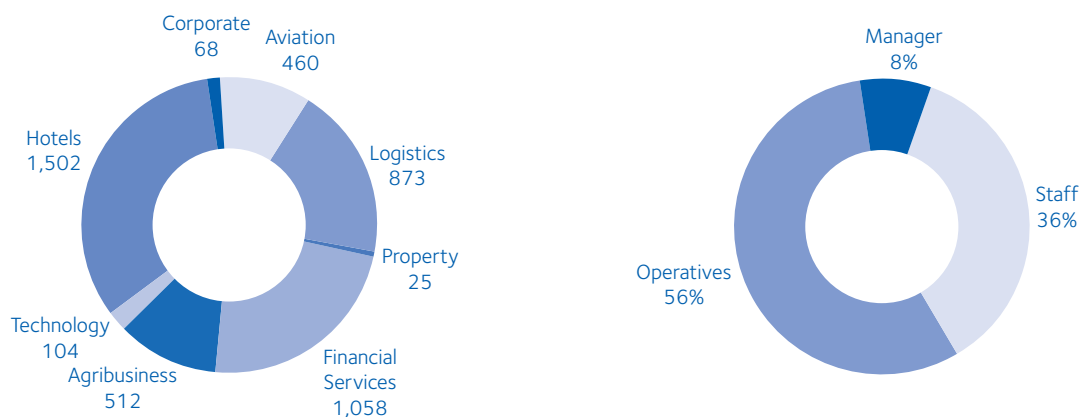
Principle 2 – Make sure that they are not complicit in human right abuses.

### OUR HUMAN RESOURCE

“Rogers is committed to supporting and respecting the protection of internationally proclaimed human rights and strives to ensure that the company is not complicit of human rights abuses. Rogers recognises its responsibility in respecting the rights of its people in the workplace and has put in place the following systems and processes to support the human rights principles”.

Today, Rogers employs some 4,600 employees across six business sectors spanning eleven countries. Our employee base is serviced by a seasoned and stable team of some sixty talented HR people spread across the business sectors.

#### Some HR metrics in Rogers



Over the last twelve months, Employee turnover remained stable. Some Rs 28m were invested in learning and people development, thereby training some 2,800 employees over more than 7,000 man-hours.

#### Our focus for the year

In what has been a challenging year globally, the Human Resources function in Rogers has focused its energy on sustaining employee engagement while partnering with the various businesses in their respective change initiatives.

These initiatives have ranged from HR and cultural integration in the ‘Swan Insurance –Cim Insurance’ merger, to providing human solutions in re-organisation exercises across business sectors, including redeployment and reskilling of our people.



## HR Excellence Awards

In keeping with its pioneering culture and tradition of excellence, Rogers, this year won the first ever 'HR Excellence Award', which celebrates the Best Employer in the country. The Company also won six other HR best practice awards from the HRDC (Human Resources Development Council). These included inter alia:

1. 'Best Company for Learning and Growth'
2. 'Best Company for Performance Improvement and Recognition'.
3. 'HR Excellence in Strategic HRM'
4. 'HR Excellence in Learning and Growth'
5. 'HR Excellence in Quality of Work-Life'
6. 'HR Excellence in Performance Improvement and Recognition'

This national recognition was made possible by the daily dedication and passion of the Group's HR team members towards growing the potential and performance of our people.

## Sustaining Employee Engagement

The engagement survey tool was upgraded with the latest Aon Hewitt global engagement framework. And yet again, the engagement survey proved a key instrument in helping to drive business results through people.

In spite of the challenging times, Rogers sustained its engagement score at a healthy 65%, above the global average, thus qualifying as a high performance employer by international standards.

A notable element of the engagement survey included a 66% score for learning and development, which increased by 18 basis points thanks to the enlarged access and in depth deployment of the Harvard Manage Mentor E-learning platform across the group.

## Remuneration policy

Salaries are generally determined by a combination of internal equity, external competitiveness and performance of the employee.

Every two years, remuneration surveys are carried out so as benchmark with practices in the industry. This is used to review and update internal salary scales and benefits bands across the Company.

There are no reward schemes in the form of share options schemes at the level of the Company.

## Staff Welfare

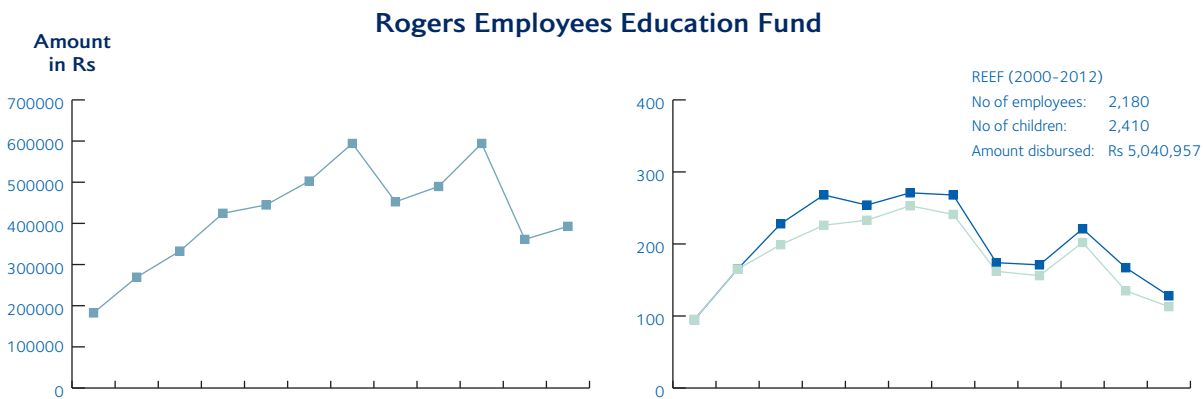
All sectors have maintained their budgets and teams of volunteers dedicated to the organisation of staff welfare activities such as awareness sessions, Staff EOY party, Children's Christmas party, Fun day / Sports days, Wellness weeks, Bring and Share and other buzz activities. Employees across all sectors were involved in CSR activities – community development, environment, education – and could where applicable benefit from flexible hours to support the equilibrium between work and employees' family / social lives.

## Employee Assistance Programme

This programme geared at enhancing the quality of the employee's personal life and addresses issues connected with relationships, family problems and financial worries was maintained through the offer of hardship loans; assistance to employees travelling abroad and for paying clinic bills; stay interviews and/or counselling as and when required by HR professionals; as well as family educational support through:

The **Rogers Employees' Education Fund**—the assistance to needy/ deserving children of our employees in their educational advancement/ development. REEF provided financial relief to employees for expenses directly related to

the purchase of books, course material, payment of examination fees, vocational and technical training loans and the payment of interests on loans contracted for tertiary studies.



### Code of ethics

The Company has formulated a code of ethics which spells out the general obligations and business etiquette employees are encouraged to abide by. A Malpractice Reporting Policy was also adopted by the Company in 2010. No breach of ethics or any malpractice was reported for the year under review.

### Health and Safety policy

Rogers, with its varied portfolio of activities, has Occupational Health and Safety ('OHS') practices adapted and customised to each business sector. At the beginning of 2012, a safety management system was introduced based on the Occupational Health and Safety Management System (OHSMS) of the American National Standard Institute (ANSI) and the American Industrial Hygiene Association (AIHA), with a view to ensure international best practices. This standard, better known as ANSI/AIHA Z 10-2005 can be adapted to any type of organisation. Some elements of the system are already in place, while some others like safety standards for procurement and contractor management standards are still in embryonic stages.

In line with the OHSMS, safety responsibilities, where applicable, have been integrated in the job guidelines of new employees and the safety policy has been updated to fit the international standards (ANSI/AIHA Z 10-2005). These two elements are pivotal to the achievement of a safety culture in the Group which is our long term objective.

Moving forward, safety standards for procurement and contractor management will be implemented in line with the guidelines of the OHSMS. This is important not only in securing safety in our workplaces but also to help external contractors working with our businesses to make safety part of their own culture.

## LABOUR STANDARDS

Principle 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4 – the elimination of all forms of forced and compulsory labour;

Principle 5 – the effective abolition of child labour; and

Principle 6 – the elimination of discrimination in respect of employment and occupation.

Rogers promotes equal opportunity without regard to race, colour, religion, age, sex, national or social origin, HIV status, association or sexual orientation. The company strongly disapproves all forms of harassment in the workplace. Furthermore as an employer, Rogers has always adhered to the national labour laws that is the Employment Rights Act (2008) dealing with individual rights of 'workers' and the Employment Relations Act (2008) dealing with the collective labour rights.

Rogers's employees are informed of the various processes concerning Human Resources Strategy, Job Levelling, Sourcing and Selection, Performance and Reward Management, Coaching & Development, and Engagement & Retention through the Human Resources Policies documents available on the intranet and disseminated through individual interviews and workshop where needed.

The Human Resources function has engaged in the consolidation of its practices and systems by implementing a new state of the art Human Resources Management Information System. This enables the organisation to measure key people management indicators, generating valuable information for decision making as well as strengthening the performance culture.

### Collective bargaining

Rogers Employees enjoy full freedom of association and collective bargaining. Currently, 284 employees of Rogers are affiliated to trade unions across the group.

Number of employees affiliated to trade unions across the group:

Aviation	58
Logistics	226
Total	284

Four different trade unions are represented across the various sectors of the company: MTPEU, PEEU, UGSAE and Rodrigues Port & Cargo Transport Employee Union.

### Recruitment procedures

Rogers Recruitment and Selection Policy ensure fair and equal treatment to internal as well as external applications. On employment, employees are required to provide the company with documentation including identification documents/ birth certificates and educational qualifications. No one below 16 years old is recruited in Rogers. Forced and compulsory labour as well as child labour is prohibited by law and our Human Resources personnel ensure full compliance. It is also a policy that trainees in Rogers Company receive remuneration for their work.

### Elimination of discrimination

We value diversity and promote equal opportunities in recruitment and employment. We understand how diversity has helped us to expand our business worldwide and we insist on the application of that policy. Our recruitment policies and procedures aim at preventing discrimination on the basis of race, colour, sex, age, marital status, and pregnancy, national, ethnic or social origin. Rogers constantly strives to eliminate all forms of discrimination in respect of employment and ensures that the opportunities are offered to everybody.

When recruiting, job opportunities are first distributed internally, thus giving current employees career prospects. Subsequently, the job adverts are posted in the media for nationwide circulation.

## Gender

Across the Rogers Companies the gender balance is currently as such:

Level	Percentage Men		Percentage Women	
	2011	2012	2011	2012
Board Members	100	90	0	10
Top Management	70	70	30	30
Managers	66	65	34	35
<b>Overall</b>	<b>64</b>	<b>55</b>	<b>34</b>	<b>45</b>

Source: HR corporate services

## Disabled persons

It is the policy of the Company that the training, career development and promotion of disabled persons are as far as possible, similar to that of other employees. However, still only five people in the company fall within that category. They are offered equal opportunity for their development and training but no specific policy promotes the inclusion of new handicapped workers.

Moreover, the Rogers Hotels supports the fair trade towards the handicapped community through the selection of its suppliers: Blue Earth, the boutiques' brand of the Hotels sector, selects its suppliers on social criteria and supports the APEIM (Mauritian Parents of handicapped children Association), and Care-Co from Rodrigues Island that both train young handicapped people.

## Trainings

The policy of Rogers is to grow and retain its people through the right mix of training, coaching and motivation. The aim is to promote internal growth and continuously improve the potential of its employees.

Management has the responsibility of identifying talents at all levels and ensuring that they are motivated, developed and engaged. Performance objectives are set and career paths defined with appropriate training and coaching.

The Company operates an employee development review process, which provides an opportunity for all employees to work with their line manager in planning their personal development for the following year. Performance reviews are conducted annually.

Furthermore, several mentoring and coaching courses have been conducted by Rogers Learning Centre during the year 2012 so as to:

- Help to transfer knowledge and skills from one generation of workers to next
- Promote a learning culture within Rogers whereby employees across all levels are encouraged to develop and improve their skills constantly
- Create an environment where mentoring and coaching relationships are developed, nurtured and maintained



## Training statistics as at 01 Oct 2011 – 30 Sept 2012

Fields / Skills	2009 – 2010				2011 – 2012			
	No of Management	No of Staff / Operatives	Total No of Employees	No of hours	No of Management	No of Staff / Operatives	Total No of Employees	No of hours
Communication	30	125	155	175	6	128	134	116
Customer Care	188	1,026	1,214	609	1	141	142	22
Finance	41	63	104	526	54	185	239	334
Human Resources	71	15	86	701	27	165	192	73
Information Technology	17	164	181	641	25	56	81	214
Leadership	13	66	79	209	40	46	86	266
Management	215	15	230	1,522	325	41	366	3126
Marketing	4	0	4	24	11	11	22	27
Negotiating	6	0	6	6	5	0	5	18
Presentation	52	127	179	73	1	9	10	8
Risk Management	11	0	11	68	9	4	13	80
Safety & Health	46	223	269	250	5	172	177	335
Teambuilding	72	155	227	122	22	30	52	31
Others	9	158	167	365	17	564	581	825
<b>GRAND TOTAL</b>	<b>775</b>	<b>2137</b>	<b>2,912</b>	<b>5,290</b>	<b>548</b>	<b>1552</b>	<b>2100</b>	<b>5,475</b>

## Remuneration and benefits

Salaries are determined by a combination of internal equity, external competitiveness and performance of the employee.

Every two years, remuneration surveys are carried out so as to keep track and benchmark with practices in the industry. This is used to review and update internal salary scales and benefits bands across the Company.

There are no reward schemes in the form of share options schemes at the level of the Company.

The staff remuneration and incentives programme include:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• An annual pay review</li> <li>• Short term incentive (Performance bonus / Special award)</li> <li>• Long term incentive (Phantom share value scheme)</li> <li>• A partial contributory pension scheme (RMPRF)</li> <li>• Death in service benefit</li> <li>• 24-Hour Personal Accident Insurance</li> <li>• Help towards achieving work-related qualifications</li> <li>• Array of leaves (local, sick, compassionate, wedding, study, injury)</li> <li>• Family education support (Rogers Employees Education Fund)</li> </ul> | <ul style="list-style-type: none"> <li>• Medical scheme (Rogers Group Provident Association)</li> <li>• Seasonal gift for every employee at Christmas</li> <li>• Staff loans without interest representing no more than 2 month salary</li> <li>• Company vehicle / Car scheme (for Managers)</li> <li>• Air Tickets / Overseas benefits (for Managers)</li> <li>• Pension Fund (Rogers Money Purchase Retirement Fund)</li> <li>• 24 hour Personal Accident cover</li> <li>• + Sector wise benefits – e.g. complimentary room nights, air ticket discount etc.</li> </ul> |
|--|--|

## ENVIRONMENT

Principle 7 – Businesses should support a precautionary approach to environmental challenges;

Principle 8 – undertake initiatives to promote greater environmental responsibility; and

Principle 9 – encourage the development and diffusion of environmentally friendly technologies.

Rogers, as a historical partner to the development of Mauritius, is very conscious of the risks associated with island states in the current environmental changes. We are committed to sustainable planning and effective actions to minimise the impact of our activities on the environment.

All our companies are following national guidelines and laws concerning waste management and pollution prevention. Nonetheless, in the last three years, increasing initiatives have emerged among our people to go beyond national requirements. A movement of environmental awareness is stimulating actions such as waste recycling, environmental cleaning, composting, endemic species restoration and energy saving

Rogers is working towards more consequent measures towards energy management at group level in the future, notably to reduce the carbon footprint across the Group. To achieve this, the Company has, via its health and safety department, developed a baseline and framework to measure its carbon footprint and identify areas for improvement.

### Reducing use of resources and respect of the environment

The Blue Earth Boutique bans the sales of product made from corals or shells, even imported, in respect of marine biodiversity and VLH furthers the implementation of measures to ensure better water, electricity and gas management as well as to prevent the wastage of resources in general. These initiatives were conducted by the Maintenance department with the support of the Quality, Health and Safety departments as well as the commitment of hotel managers.

#### Water

Veranda and Heritage Resorts Hotels have installed flow-reducing valves in all rooms to reduce the water flow and subsequently consumption without hindering the comfort and hygiene of clients. Water consumption per day per room has reached the level of 0.68 sq.m3 as compared to the International average of 1 sq.m3. All our hotels are fitted with waste water recycling plants that allows for 80% of the grey water to be used for tendering green areas. Furthermore, to reduce the laundering of towels, customers are encouraged to signify their wish to save on linen washing frequency.

#### Energy

An important pilot project was initiated at Veranda Paul & Virginie Hotel, to control energy demand and reduce power consumption by 20% through the installation of:

- a monitoring system on all electric motors (compressors, pumps, refrigerators, extractors) and the network of air conditioning (temperature program, sprinkler and power management start-up)
- energy-saving bulbs in all rooms, public areas, kitchen, canteen and reserves.
- micro switches on all rooms' doors and windows that automatically cuts off the air con after 2 minutes of an opening.

Guest rooms at Heritage Awali are equipped with key cards that control the electric power by switching off when the card is removed. The glass doors that open onto the terrace are also equipped with air-conditioning turn off switches. Three solar water heaters provide hot water to the C Beach Club.

This policy towards energy saving is gradually being extended to other hotels of the group upon renovation time.

Currently, the temperature level of all rooms is blocked to a minimum of 22 degrees Celsius thus controlling the level of energy used towards the air conditioning.

The spirit of environmental sustainability is, also, driving all renovation works of the Property sector. Two renovated shopping centres were redesigned to maximise natural light, minimise the use of electricity while promoting environmental friendly actions among stakeholders.

### Reusing, Sorting and Recycling

In Heritage Le Telfair Golf and Spa Resort, recycled glass bottles and bottle containers have replaced all plastic in restaurants and rooms, while at the Heritage Awali Golf and Spa Resort, plastic and aluminium cans have also been replaced at the points of sale.. Two out of seven hotels have begun composting their green waste according to the recommendations of experts from the University of Mauritius.

Rogers Corporate Office, Rogers Aviation and Foresite Property have implemented a policy wherein all office equipment and furniture are recycled through NGOs for a second life or as one of their fundraising activities.

All Office stationery is printed on eco-friendly recycled paper.

In hotels, waste sorting has been introduced since two years despite a difficult local context (no national system for the sorting, collection and recycling of waste in Mauritius). The process has slowed due to the context.

Heritage Resorts has been supporting since 2011 a recycling community unit in the south of Mauritius, that was set up through the sponsoring of Heritage Resorts. This unit, 'Plankton', collects plastic, glass and paper from hotels of the region. Glass is processed and sold: glass aggregates will be sold on the local market for swimming pool filtering, decoration purposes... Plastic and paper are compacted and then sold for recycling and exportation respectively. This initiative of Bel Ombre Foundation for Empowerment aims both at the environmental protection and job creation in this deprived area.

The Veranda Resorts hotels have launched a cause branding initiative on the sale of bottled water to complement their financial support to Reef Conservation. The four Veranda Resorts hotels have made a commitment to deduct a token amount from their profit margin on every bottle of water sold in aid of Reef Conservation.

## ANTICORRUPTION

Principle 10 – Businesses should work against corruption in all forms including extortion and bribery.

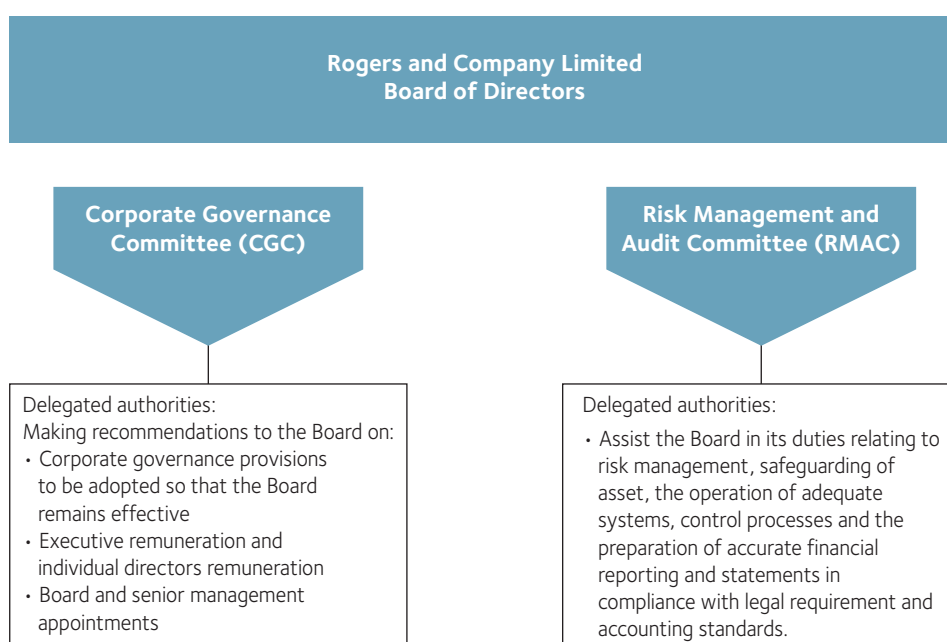
Rogers is committed to working against corruption in all its forms, by adhering to the Code of Corporate Governance for Mauritius and being in compliance with all relevant laws.

### COMPLIANCE STATEMENT

For the year under review, the Board of Rogers complied with the Code of Corporate Governance for Mauritius (the 'Code') in all respects save for the requirement to have two executives on the Board. The Board is of the view that it meets the spirit of the Code through the attendance and participation of Senior Executives during board deliberations on relevant matters such as strategy, investment and disinvestment of the Company as well as their active contribution on the running of boards of the subsidiaries of the Group.

### GOVERNANCE STRUCTURE

The governance framework and committee structure set up by the Board of the Company to help it fulfill its obligations are as follows:



With a view to improve the decision making process and accountability within the Group, Rogers has adopted the following governance framework with regards to its subsidiaries:

- a) Separate sub-holding boards have been set up at the level of each sector;
- b) Separate corporate governance committees and risk management and audit committees have also been set up at the level of the Real Estate and Financial Services sectors due to the nature and specificity of these sectors;
- c) The governance, risk and audit issues relating to the business activities of the subsidiaries of the Company operating in the hotels, leisure, logistics, property (excluding Ascencia Limited) and travel and aviation sectors are overseen by the CGC and the RMAC; and
- d) A corporate governance committee and a risk management and audit committee have been set up at the level of Ascencia Limited, a subsidiary of the Company, given its listing on the Development and Enterprise Market of the Stock Exchange of Mauritius Ltd.



## **BOARD**

### **Composition of the Board**

During the year, the Company was headed by a unitary board comprised of twelve directors under a chairman who had no executive responsibilities. There were eleven non-executive directors, three of whom satisfied the requirements of the Code for 'independent' directors, and one executive director namely the CEO. The Chairman of the Board is elected by his fellow directors and is responsible for leading the Board and its effectiveness.

On 16 October 2012, four directors resigned as planned in the group restructuring process. On 18 October 2012, the Board appointed the group Chief Legal Executive, the first women board director, as well the Chief Financial and Investment Executive and two non-executives as directors of the Company on the recommendation of the Nomination Committee. The Board is now composed of a newly elected chairman, three executive directors, three non-executive directors and five independent directors. The current directors have a broad range of skills, expertise and experience from accounting, banking, commercial, tourism, logistics, financial to legal matters.

The functions and responsibilities of the Chairman and Chief Executive are separate.

In line with the Code, all directors stand for re-election and/or appointment on a yearly basis. The names of all present directors, their profile and categories as well as their directorships in other listed companies are set out in our Annual Report.

### **Role of the Board**

The Board is ultimately accountable and responsible for the performance and affairs of the Company. Its role includes the determination, review and monitoring of the Company's strategic plan, approval of key acquisitions/disposals and capital expenditure. The Board is also responsible for the Group's risk management and internal control processes.

The Board promotes, encourages and expects open and frank discussions at meetings. Board meetings provide a forum for challenging and constructive debate. Directors are expected to attend each Board Meeting and each meeting of the Committees of which they are members, unless there are exceptional circumstances that prevent them from so doing. The Chairman and the Chief Executive, in collaboration with the Company Secretary, agree the meeting agendas to ensure adequate coverage of key issues during the year.

### **Board charter**

The Board is of the view that the responsibilities of the directors should not be confined in a board charter and has consequently resolved not to adopt a charter.

### **Director Induction and Board access to information and advice**

On appointment to the Board and/or its Committees, directors receive a comprehensive induction pack from the Company Secretary and an induction programme is organised to introduce the newly elected directors to the Group's businesses and Senior Executives.

All directors have access to the Company Secretary and to the Senior Management team to discuss issues or to obtain information on specific areas or items to be considered at board meetings or any other area they consider appropriate.

Furthermore, the directors have access to the records of the Company and they have the right to request independent professional advice at the expense of the Company. The Board and its Committees also have the authority to secure the attendance at meetings of third parties with relevant experience and expertise as and when required.

### **Interests of directors**

All directors, including the Chairman, declare their direct and indirect interests in the shares of the Company. They, moreover, follow the Model Code for Securities Transactions of the Stock Exchange of Mauritius Listing Rules whenever they deal in the shares of the Company.

For the year under review, none of the directors dealt in the shares of the Company or had any direct interests in the subsidiaries of the Company.

## BOARD COMMITTEES

The Board has set up a Corporate Governance Committee and a Risk Management and Audit Committee to assist in the discharge of its duties.

The functions and responsibilities of each committee are outlined in the committee's written terms of reference which have been approved by the Board. The terms of reference meet the requirements of the Code and are reviewed each year. They are available for consultation on the website of the Company ([www.rogers.mu](http://www.rogers.mu)).

The chairmen of the committees report orally on the proceedings of their committees at the next board meeting of the Company and the minutes of the meetings of the RMAC are included in the board pack distributed to board members in advance of the next board meeting.

A summary of the key responsibilities of these committees as well as their composition are set out below.

Committee	Key responsibilities
Corporate Governance Committee (also serves as Remuneration and Nomination Committees)	<ul style="list-style-type: none"> <li>a) Making recommendations to the board on all corporate governance provisions to be adopted so that the board remains effective and complies with prevailing corporate principles and practices.</li> <li>b) Ensuring that the disclosure requirements with regard to corporate governance, whether in the annual report or other reports on an on-going basis, are in accordance with the principles of the applicable Code of Corporate Governance.</li> <li>c) Making recommendations to the board on all new board appointments.</li> <li>d) Reviewing through a formal process the balance and effectiveness of the board.</li> <li>e) Developing a policy on executive remuneration and for fixing the remuneration and benefit packages of individual directors, within agreed terms of reference, to avoid potential conflicts of interest.</li> <li>f) In relation to the remuneration of non-executives make recommendations to the full board.</li> </ul>
Risk Management and Audit Committee	<ul style="list-style-type: none"> <li>a) Ensuring that: <ul style="list-style-type: none"> <li>• All risks are reviewed and managed to an acceptable level in the business.</li> <li>• All internal accounting, administrative and risk control procedures are designed to provide on-going assurance that assets are safeguarded.</li> <li>• Transactions are executed and recorded in accordance with the Company's policy.</li> </ul> </li> <li>b) Reviewing: <ul style="list-style-type: none"> <li>• Important accounting issues.</li> <li>• Changes in legislation that will give rise to changes in practice.</li> <li>• Compliance with regard to specific disclosures in the financial statements.</li> <li>• Quarterly, preliminary and annual reports as well as any other financial reports.</li> </ul> </li> </ul>

## **SHAREHOLDERS**

### **Ownership restrictions**

The constitution of the Company provides that no shareholder, other than those who held more than ten per cent of the issued share capital of the Company before its adoption, shall hold more than ten per cent of the issued share capital of the Company, without the prior authorisation of the Board.

### **Shareholder communication and events**

The Company communicates to its shareholders through its Annual Report which is also accessible on the Rogers website, Investors' news, publication of unaudited quarterly results, dividend declarations and its yearly annual meeting of shareholders. The Senior Management Team of the Company meets the investor community twice yearly to brief them on the Company's strategy, financial performance, investments and disinvestments.

## **STATEMENT OF REMUNERATION PHILOSOPHY**

### **Directors' remuneration**

The fees paid to non-executive directors have been recommended to the Board by the CGC (acting as the Remuneration Committee) based on a survey carried by an independent consultant in 2004. Such fees have since been reviewed in 2007.

The fees paid to non-executive directors are calculated in the following manner: (a) a basic monthly fee; and (b) an attendance fee. The Chairman of the Board and the Chairmen of the Board Committees are paid a higher monthly fee.

### **Executive director's remuneration**

The executive director is not remunerated for serving on the Board and its Committees. His remuneration packages as an employee of the Company, including his performance bonus, which are in accordance with market rates, are disclosed in the Annual Report.

### **Our activities towards this principle outside the company:**

Rogers supports Transparency Mauritius, affiliated to Transparency International, in its view to reduce corruption in the country.

## **EXTERNAL CSR INITIATIVES**

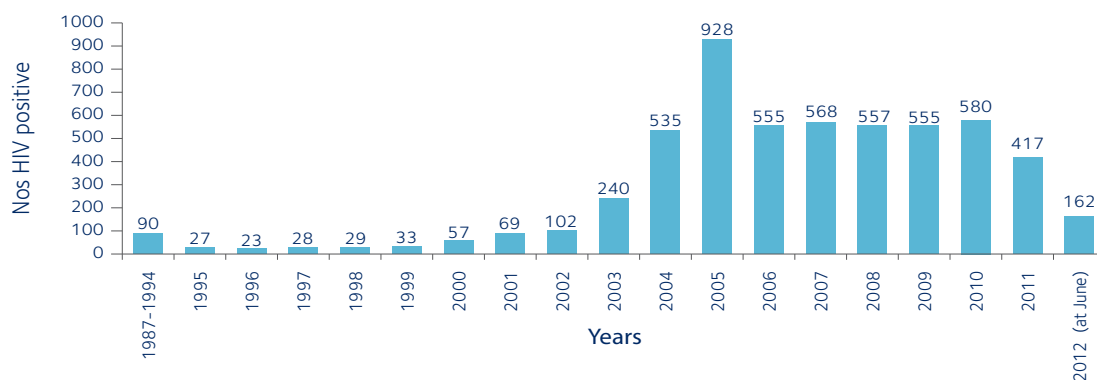
With the changing economic context, Rogers stayed focused on its on-going projects and worked with its existing NGO partners. Human and other existing resources were used to preserve jobs and reach targets. Partnerships, untapped resources as well as redefinition of budgets have resulted in innovative social efficiency. For example, Rogers provided capacity building to help its partners redefine goals and priorities and to scale down budgets without jeopardizing jobs and services to the beneficiaries. Equipment, furniture and supplies were collected, recycled and redirected towards field projects.

## HIV/AIDS initiatives

Our CSR involvement in the fight against HIV/AIDS can, after 5 years of continued investment, safely be said to have contributed, in collaboration with national stakeholders, to the downward curve of the HIV epidemic in the Republic of Mauritius.

### *A receding HIV/AIDS epidemic*

New cases of HIV/AIDS



Monthly average of 48 in 2010, 35 in 2011 & 28 since January 2012.

Based on these positive results and confident that the six years investment of the Group will carry on through the well governed and focused NGOs and governmental services accompanied during this period, Rogers CSR is currently encouraging other private sector partners to contribute to this cause. As from 2013, the Group will focus its commitment to another field of the social development of Mauritius. In the meantime, we are making sure that the HIV sector will not be left without a private sector leader. A new CSR focal point from another Group is being trained to replace us on the Country Coordinating Mechanism Committee (CCM), the entity that coordinates the fight against HIV/AIDS at the national level. Partner NGOs and other stakeholders have been advised of the change of CSR orientation at the end of the coming financial year.

The HIV/AIDS programme was pursued this year, notably with the huge success of the theatre play "La Cage aux Folles" supported by Rogers to contribute to the destigmatisation of homosexuality in the country. The funds raised through this play were offered to three NGOs that have a hard time raising funds: Etoile d'Espérance – rehabilitation for alcoholic women –, Collectif Arc-en-Ciel – fight for human rights of LGBT (Lesbian, Gay, Bisexual and Transgender) people – and SAFIRE – working for the rehabilitation of street children.

Other projects on HIV/AIDS in the workplace went well, targeting around 4,000 persons throughout the country – including Rodrigues. 900 nurses working in the public sector have been trained on the destigmatisation of HIV/AIDS in the hospitals while employees of Parastatal bodies and of private sector companies have been sensitised on the virus, through short theatre interactive plays and prevention sessions.

## U.N. GLOBAL COMPACT

The recognition of the Rogers group work as a best practice in the field of effective CSR work for the development of a country has been recognised by the United Nations Global Compact organisation.

The involvement of Rogers in the nationwide fight against HIV/AIDS since 2007 has been published in the UNGC International Yearbook 2012, a publication on Business Best Practices around the world. This catalogue was distributed globally to all Global Compact signatories, in UN meetings and summits, and the first copies were launched at the Rio+20 Conference in June 2012. A resume can be read here: <http://csr-manager.org/en/Global/Press/Global-Compact-International-Yearbook-2012-published.php>

The successful collaborative model between Public, Private and Civil Society sectors in HIV/AIDS was to be encouraged and this was done through the setting-up and successful official launching of the Health Business Coalition (HBC), an



initiative of the group. With 20 members and four active commissions dedicated to diabetes, drug abuse, cancer and handicap, the multisectoral governance of national health issues is being tackled by the HBC.

## **SECTORS**

The various sectors of the Group continued their commitment to work towards their specific area of interest, while “educating with a commitment for sustainability”.

### **Financial Services – “Encouraging employees’ engagement in corporate social activities through the setting-up of a Financial Literacy programme”**

Over and above existing CSR initiatives, namely environment protection, providing support to the community, fund raising through the Cim Run Ride and Walk for Charity, Cim launched this year, its Financial Literacy programme aimed at educating the adults on daily money management. A better understanding of basic household finance allows individuals to make more informed decisions about their budget and hence contributes to the reduction of poverty. In this initiative, Cim has partnered with the ‘Association pour la Protection des Emprunteurs Abusés’ (APEA) as well as Junior Achievement Mascareignes to educate the community in financial literacy, through counseling sessions, budget management programs, awareness and education sessions in local communities and amongst the youth.

Furthermore, Cim is also committed to encouraging its employees to partake in corporate social activities within their respective business units. In this respect, a growing proportion of staff has been involved in CSR projects through the Community Clubs set up in each business unit. They have worked closely with selected NGOs over a year and helped to make a difference in society.

### **Hotels – “Promoting a sustainable development for all”**

VLH is committed towards the socio economic development of the surrounding communities of its hotels. Veranda Resorts’ hotels supported the renovation of ‘Zone D’Education Prioritaire’ (ZEP) and ‘Adolescent Non Formal Education Network’ (ANFEN) schools in northern coastal villages. Heritage Resorts continued to support Plankton, the community recycling Plant of Bel Ombre Foundation for Empowerment. The hotels, golf and villas of the area can now recycle their plastics, cans and glass bottles, while supporting the surrounding community with the creation of local green jobs in the South.

### **Logistics – “Supporting the Youth of the community”**

Velogic continued to support young Mauritian people through sports and education. The company gave support this year to Le Pont du Tamarinier for the setting-up of a recreational centre for underprivileged young people. Sports have also been supported through a donation to the Trust Fund for Excellence in Sports. Employees have also been part of the CSR programme by visiting NGOs and organising collections to help them meet urgent needs such as clothes for their beneficiaries.

### **Property – “Supporting socio economic development in Le Morne village and protecting endangered species”**

The Property sector continued its work in Le Morne village with its project of kitchen gardening in partnership with SEED Chamarel and Mouvement pour l’Autosuffisance Alimentaire, as well as a socio economic development project with SOS Patrimoine.

The sector also provided funds to the Mauritius Wildlife Foundation for the protection of the Pink Pigeon, an endemic endangered species.

### **Travel & Aviation – “Children: Our Future”**

Rogers Aviation has committed itself to help improve the quality of life of impoverished, abandoned and troublesome children. As such, Centre D’Amitié de Bambous has received their support to provide a daily meal for 100 school children over a period of one year. The company also supported Terre De Paix by providing school materials and Christmas gifts for 250 children and the financing of basic utilities to abandoned babies at Crèche du Coeur Immaculée de Marie.

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