



***United Nations Global Compact  
Communication on Progress  
2013***



# *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 2013 report.

### **Sustainable Economic Management**

The year 2013 remained a quite challenging year for our business since the global economy remained fragile with persisting weaknesses in the USA and Europe and slower than-expected growth in major emerging economies. Such economic slowdown is still impairing on our economic growth.

The Hotel industry faced tough market conditions with sluggish growth in tourist arrivals, limited air connectivity and increasing room inventory. Dampened international trade flows driven by reduced consumer spending and austerity measures in key economies also impacted trade volumes handled in the Logistics sector. In addition, the Property sector witnessed discounted prices in the office segment with the excess in supply of office spaces.

Moving on, a four-year strategic plan recently finalised on the basis of the growth potential and challenges of each and every sector we are engaged in. Our aim will remain to position Rogers as the first service-focused conglomerate in Mauritius through the consolidation of its existing sectors. The Group's Financial Services sector will be reinforced with new investment products and services targeted at institutional, corporate and high net worth clients.

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

The 2012–2013 financial year also saw a reduction in CSR and IRS villas contributions to the two group's foundations: i.e. Rogers Foundation and the Bel Ombre Foundation for Empowerment. The decision was taken to right size both administrative structures in order to maximise donations to the supported projects and NGOs. Hence, the administration of both foundations was contracted to Rogers Corporate. The nine month financial year largely focused on concluding the HIV/AIDS engagement and ensuring the continuation of our main projects in the Bel Ombre region.

Notwithstanding, the six years of engagement of the Rogers Group in the fight against HIV/AIDS through prevention activities among the 15 to 24 years old, has not only had a significant impact on the spread of the virus but has also positively influenced attitudes towards this affliction. The Group is satisfied that the resources invested have delivered the intended results, and that time was right to redirect Rogers' group CSR on a new focus "The Preservation of our Coastal Resources".

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



## Focused Energy, Every Day

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



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

## HUMAN RIGHTS

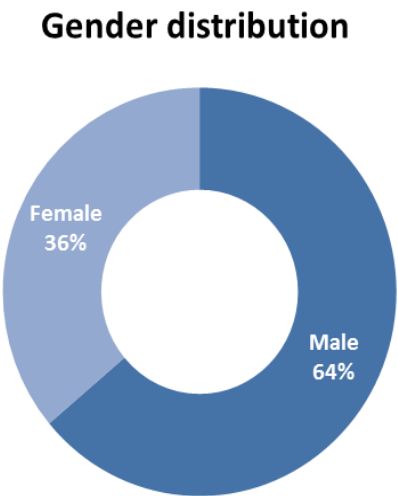
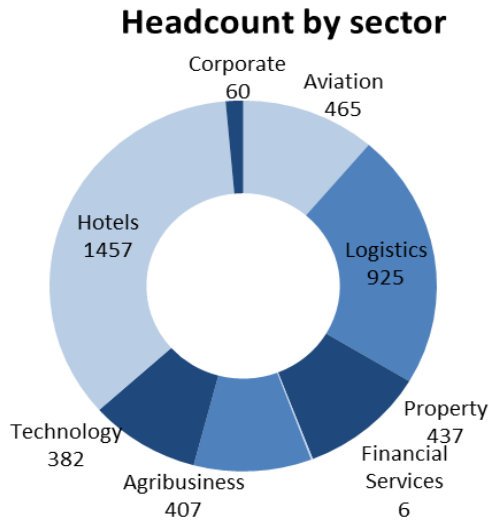
Principle 1 - Businesses should support and respect the protections of internationally proclaimed human rights; and

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

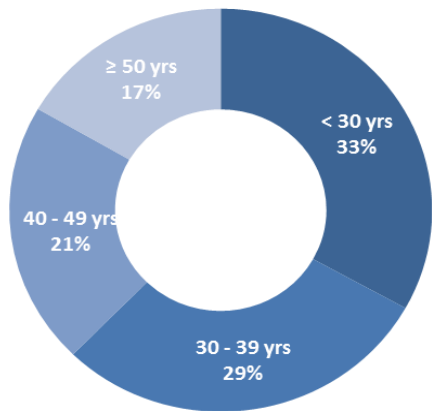
## OUR HUMAN RESOURCE

Human Resources in Rogers is about partnering with our business sectors to provide people solutions. Rogers currently employs 4139 employees across seven business sectors spanning eleven countries. Our employee base is serviced by a sound and experienced HR team of some sixty talented individuals with the main aim of providing human solutions to the business. The core philosophy of the resources team is to help grow the performance and potential of our people while having fun at work. The Human Resources function this year focused its energy on internal learning programs, sustaining employee engagement while supporting our businesses in their various projects. In terms of learning and people development, this year some Rs 10 m(USD 327,000) were invested, reaching some 5,683 employees who were trained over more than 5,867 man-hours. The main learning initiatives remain focused on internal mentoring, Harvard Manage Mentor (e-learning programme) and customer care.

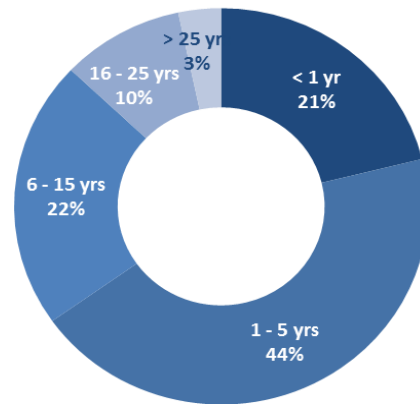
### Some HR metrics in Rogers



### Headcount by Age



### Headcount by Tenure



## Sustaining Employee Engagement

### 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.

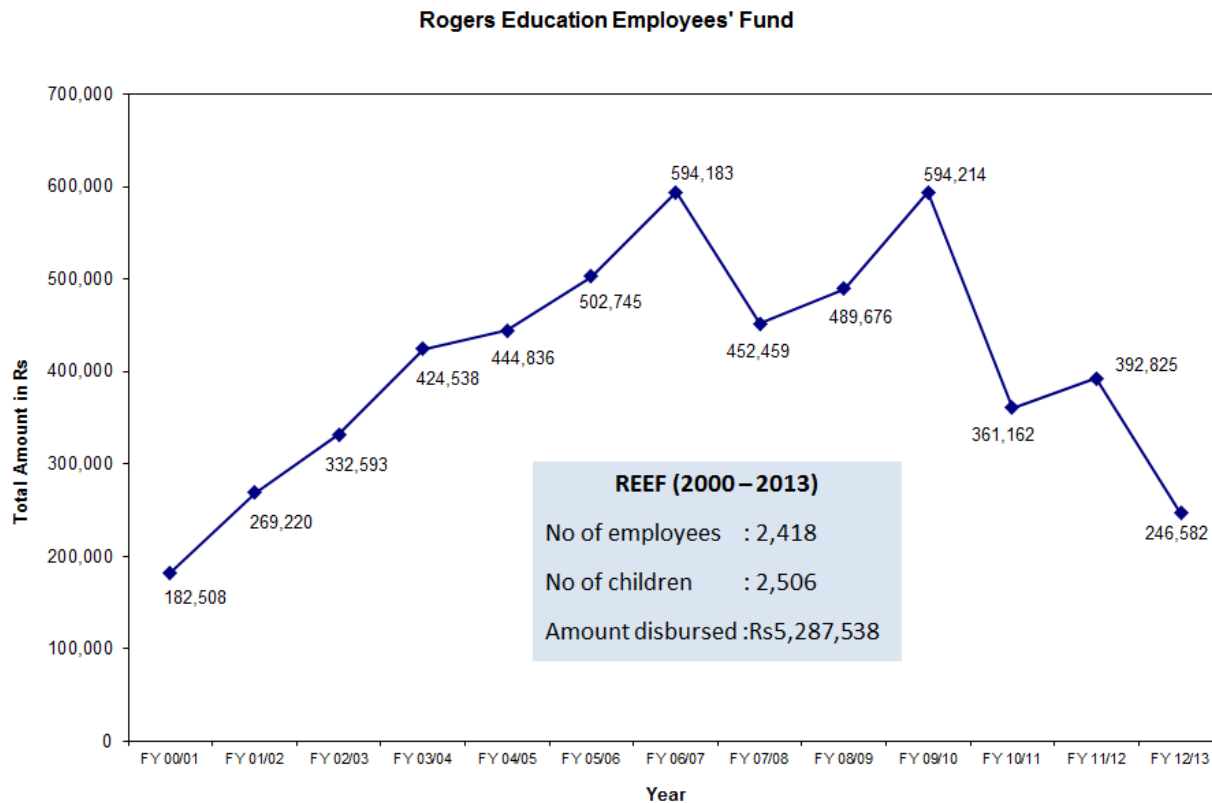
### Staff Welfare

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, 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

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



Note: that the financial year 2013/14 is based on 9 months and that there are now less employees due to the Group's change in structure.

### 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

The Safety Management System adopted by the Group known as ANSI/AIHA Z10 was updated in September 2012 with some key additions such as the requirement to have a Risk Assessment Process. This was formalised by the Team of safety officers and then distributed to all group companies. The latter have since embarked on a review of their risk assessment exercises to ensure that their risk inventories are exhaustive and that no significant risk has been left out of their present safety management system. All group companies are still deeply involved in this exercise.

## Community Development

This past year the priority for our CSR funding (i.e. 2% of our chargeable income) was set towards ensuring the sustainability of associations and projects supporting the country's vulnerable population. Primacy was given to ensure the running costs of social services such as schools, old age care, handicapped, and health care as well as ensuring the sustenance of a few local artists and environmental projects. The different NGOs were all also encouraged in their respective social and artistic activities. Moreover, a special effort was given in collaboration with the Joint Economic Council to the victims of the March floods that hit the capital of Mauritius. Rogers' efforts were particularly focused on coordinating and supporting the medical and psycho-social help together with the sponsorship of house repairs.

## PER 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".

### Aviation – Children: Our Future

Rogers Aviation has committed itself to improving the quality of life of impoverished, abandoned and troublesome children. As such, a youth center in the west received Rogers' support to provide a meal per day for 100 school children for a period of one year and non-formal education schools network were provided running costs to continue the education of out-of-school youth. Special effort was also provided by the staff of Rogers Aviation to rehabilitate the lodgings of 4 elderly tenants damaged by the floods.

### Property – supporting vulnerable groups and protecting endangered species

The property sector collaborated with the Ministry of Gender Equality, Child development and Family Welfare to set up the first national Child Friendly Service Centre in Vacoas. Another NGO for the Youth received funds for a Dance Academy and a Technical school project to take care of idle adolescents in the region and Link to Life was funded for a breast cancer test detection apparatus. The sector also provided funds to the Mauritius Wildlife Foundation for the protection of the endangered endemic Pink Pigeon.

### Hospitality – promoting a sustainable development for all

VLH is committed towards the socioeconomic development of the surrounding communities of its hotels. Veranda Resorts' hotels supported the non-formal education schools in the northern coastal villages while Heritage Resorts continued to support Plankton, the community recycling Plant set up through the 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 Roche Bois community

Velogic has not only supported various NGOs by providing reduced price renovated containers for various projects but has started to manufacture a new model of social house. The Polymer model Social



House was constructed and donated to a widow with two children of a poor neighbourhood. In addition, the Velogic staff organised a fund raising drive to support the house relocation of the family.

#### Information & Technology

EIS chose to support a pre-primary school for handicapped children located in the south-ouest of the island.

#### Real Estate & Agribusiness – support the Empowerment of Bel Ombre inhabitants

Three main projects were supported by the BOFE, namely: the Coquille Bonheur crèche, the Plankton Community Recycling Plant and the Centre de Lecture et d'Animation Culturel of Bel Ombre. In addition, this transitional year for BOFE has seen numerous local NGOs receiving support through the donation of equipment and assets used for the foundation's projects, for example, Caritas received a computer system to teach adult literacy, the MFR de Bel Ombre received equipment and furniture for a fully functioning school and other varied donations.

## LABOUR STANDARDS

Principle 3 - Businesses should uphold the freedom of association and the effective recognition 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' employees are informed of the various processes concerning Human Resources Strategy, Job Levelling, Sourcing and Selection, Performance and Reward Management, Coaching and Development and Engagement and 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	68
Logistics	243
<b>Total</b>	<b>311</b>

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

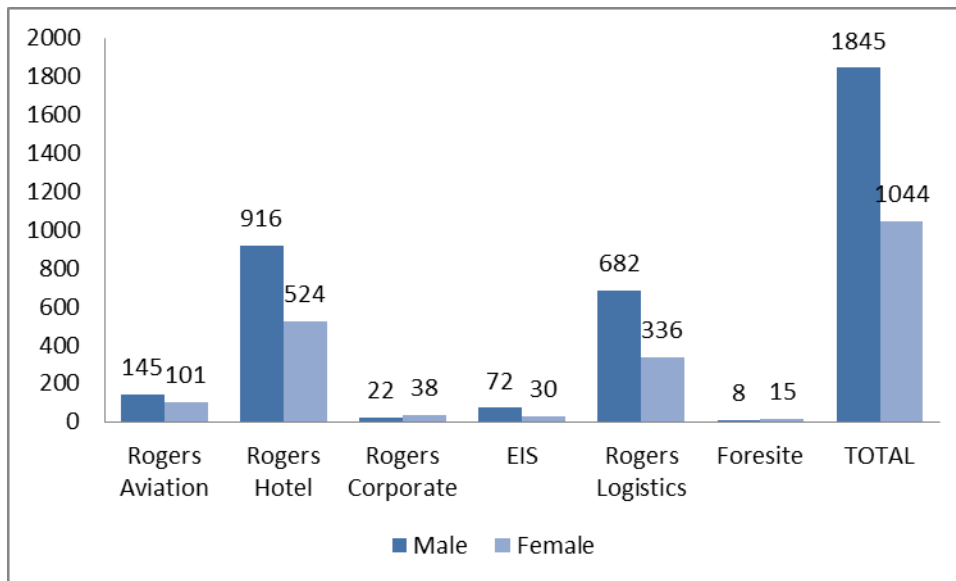
Rogers Recruitment and Selection Policy ensure fair and equal treatment to internal as well as external applications. On employment, employees are required to provide the company with documentation including identification documents/birth certificates and educational qualifications. No one below 16 years old is recruited in Rogers. Forced and compulsory labour as well as child labour is prohibited by law. 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.

## Gender

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

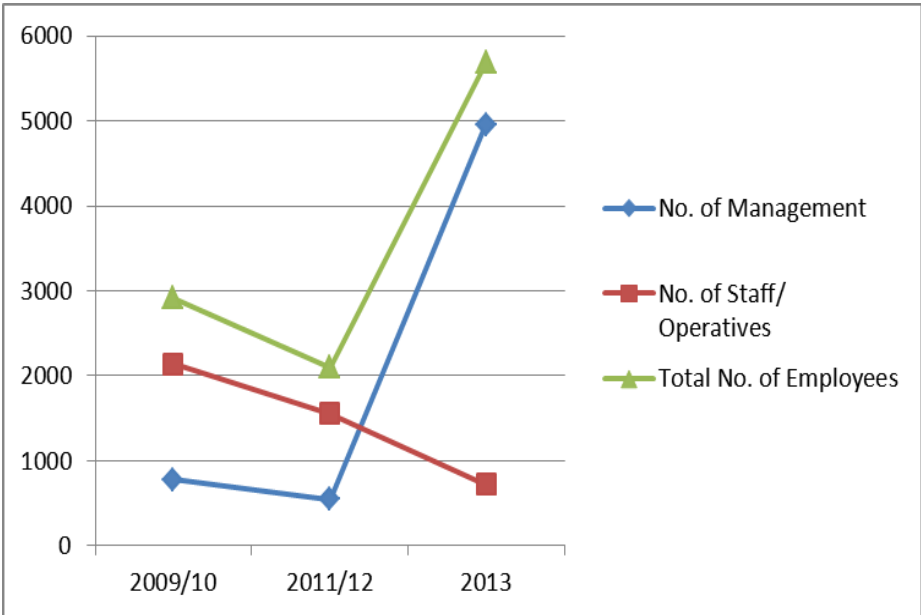


## Trainings

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.

### Training Statistics from 2009 to 2013



### 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:

- An annual pay review
- Short term incentive (Performance bonus / Special award)
- Long term incentive (Phantom share value scheme)

- A partial contributory pension scheme (RMPRF)
- Death in service benefit
- 24-Hour Personal Accident Insurance
- Help towards achieving work-related qualifications
- Array of leaves (local, sick, compassionate, wedding, study, injury)
- Family education support (Rogers Employees Education Fund)
- Medical scheme (Rogers Group Provident Association)
- Seasonal gift for every employee at Christmas
- Staff loans without interest representing no more than 2 month salary
- Company vehicle / Car scheme (for Managers)
- Air Tickets / Overseas benefits (for Managers)
- Pension Fund (Rogers Money Purchase Retirement Fund)
- 24 hour Personal Accident cover
- + Sector wise benefits – e.g. complimentary room nights, air ticket discount etc.

## 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 minimize 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.

### **Rogers engages in the Protection of Coastal Resources.**

Based on its experience in the fight against HIV / AIDS, Rogers now engages in a new mission: that of educating and supporting Mauritians in the preservation of our deteriorating coastlines. Up till now the Mauritian islands enjoyed a burgeoning corals ecosystem with varied fish, seaweeds, mangroves and other floras and faunas. However, due to increasing human activities and environmental constraints, our coastal ecosystems are now seriously endangered. As Rogers' activities intervene on various latitudes, be it by land or sea, the group extends its cooperation towards the preservation of the beauty of our islands, a concern for all.

Rogers' CSR strategy will henceforth focus on three major objectives:

- **Awareness**

Help every citizen to become aware of its responsibility towards the degradation of coastal areas.

- **Education**

Learn the right habits that make the difference.

- **Support**

Support nationwide and public actions that are for the protection of the coastline over the next 5 years.

To measure the significance of the Awareness, Education and Actions projects on Mauritian citizens, Rogers will conduct a survey on the current level of "knowledge, attitudes, behaviours and perceptions" on the subject. After two years, Rogers will conduct the same study with this sample of people to assess progress on the "awareness" and "education" level. Even more evaluation will be done on the progress of the change in behaviour towards nature.

To carry out this project, all Rogers' entities will be mobilized. They have also decided to focus on the areas close to their skills or activities.

**Real estate and agribusiness** - Domaine de Bel Ombre will contribute to the rehabilitation of the endemic wildlife of the south-west of the island in areas such as La Reserve Naturelle de Frédérica, Case Noyale, La Terre des 7 Couleurs and other protected areas. This direction will empower the development of green jobs in the region.

**The IT sector (Information Technology)** – As for EIS, it wants to protect our legacy from electronic wastes such as batteries, old cell phones, computers or unusable printers. Its program will consist of Awareness campaigns and facilities offered to transfer these objects to recycling units.

**The real estate sector** - Foresite Property wants to promote the island's sustainability by strong actions such as public education in all its shopping centers: Phoenix Commercial Centre and Riche Terre, while providing support to NGOs working in the underprivileged regions

**The logistics sector** - Velogic will enable social development of the harbour by offering a second life to containers which landed on the island by building social houses and by making the locality greener through simple steps that can be applied in everyday life: recycling paper, plastic, oil or wood pallets .

**The hotel sector** - Veranda Leisure & Hospitality will strive to protect marine life and local communities through awareness campaigns and education of the stakeholders living near the group's hotels. These people will also be encouraged to recycle wastes and find innovative solutions for their reutilization.

**The aviation sector** will promote the prevention of coastal and marine pollution. It will teach its employees and customers to recycle and also educate youth about environmental initiatives.

## ANTICORRUPTION

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

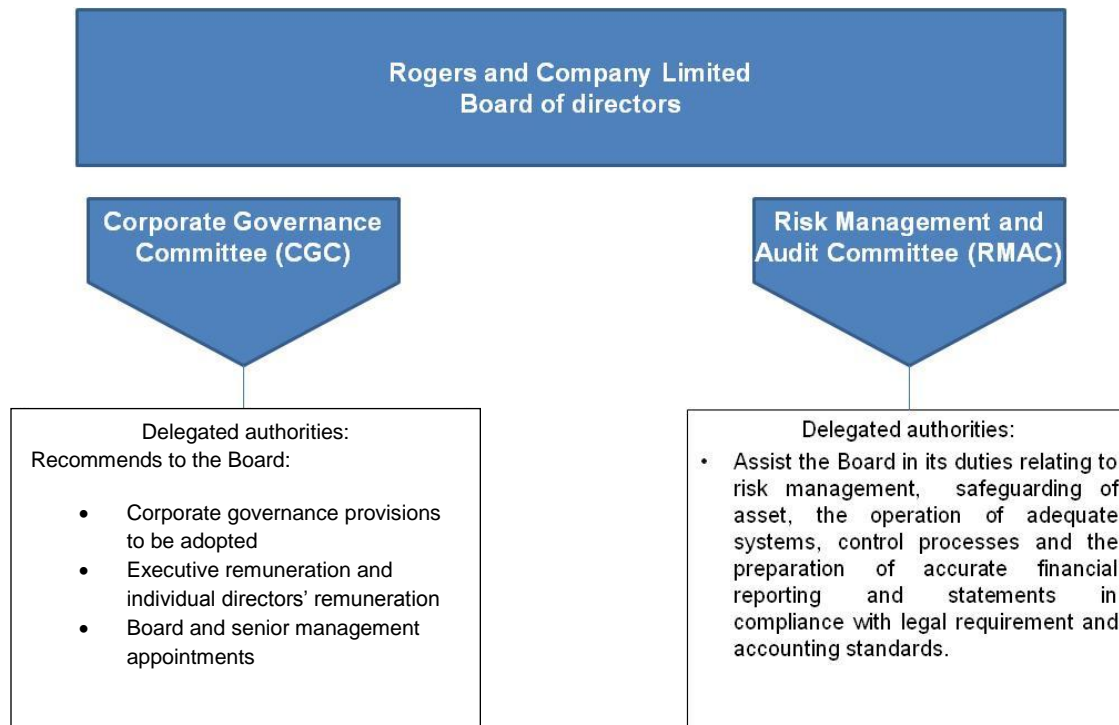
Rogers is committed to working against corruption in all its forms, by adhering to the Code of Corporate Governance for Mauritius and being in compliance with all relevant laws.

## COMPLIANCE STATEMENT

For the year under review, the Board of Rogers complied with the Code of Corporate Governance for Mauritius (the 'Code') in most respects save that no Board or director evaluation was conducted on account of the financial year being shorter than previous financial years.

## GOVERNANCE STRUCTURE

The governance framework and committee structure set up by the Board of the Company to help it fulfil 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 sectorial level;
- b) separate corporate governance and risk management and audit committees have also been set up at the level of the Real Estate Sector and Ascencia Limited due to the nature and specificity of their business; and
- c) the governance, risk and audit issues relating to the business activities of the subsidiaries of the Company operating in the hospitality, logistics, property (excluding Ascencia Limited), aviation, financial services and technology sectors are overseen by the CGC and the RMAC.

## **BOARD**

### **Composition of the Board**

During the year, the Company was headed by a unitary board comprised of twelve directors under a chairmanship who had no executive responsibilities. There were nine non-executive directors, six of whom satisfied the requirements of the Code for 'independent' directors and three executive directors. The current directors have a broad range of skills, expertise and experience ranging from accounting, banking, commercial, tourism, logistics, financial and legal matters. In line with the Code, all directors stand for re-election on a yearly basis.

The Chairman of the Board is elected by his fellow directors and is responsible for effectively leading the Board. The functions and responsibilities of the Chairman and Chief Executive are separate.

### **Role of the Board**

The Board is 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.

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.

All directors, including the Chairman, declare their direct and indirect interests in the shares 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. These terms of reference meet the requirements of the Code and are reviewed each year. They are available on the website of the Company.

Table 2: Key responsibilities of committees and their composition

Committee	Key responsibilities
<p><b>Corporate Governance Committee (also serves as Remuneration and Nomination Committees)</b></p>	<ul style="list-style-type: none"> <li>a) Make 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) Ensure 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) Make recommendations to the Board on all new Board appointments.</li> <li>d) Review through a formal process the balance and effectiveness of the Board.</li> <li>e) Develop 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>
<p><b>Risk Management and Audit Committee</b></p>	<ul style="list-style-type: none"> <li>a) Ensure that:               <ul style="list-style-type: none"> <li>• All risks are reviewed and managed to an acceptable level in the business.</li> </ul> </li> </ul>

- All internal accounting, administrative and risk control procedures are designed to provide on-going assurance that assets are safeguarded.
- Transactions are executed and recorded in accordance with the Company's policy.

(b) Review:

- Important accounting issues.
- Changes in legislation that will give rise to changes in practice.
- Compliance with regard to specific disclosures in the financial statements.
- Quarterly, preliminary and annual reports as well as any other financial reports.

## SHAREHOLDERS

The constitution of the Company provides that no shareholder, other than those existing 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.

The Company communicates to its shareholders through its Annual Report, 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.

## INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT

### RISK AND AUDIT

The Risk and Audit department helps the Group to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. A risk based internal auditing approach with up-to date tools and techniques is used with a view to safeguard the income and assets of the Group. Moreover, the department acts as a facilitator and assists management in identifying, evaluating, reporting and monitoring risks.

## Internal Control and Risk Management

The department consists of a team of qualified and trainee accountants with high level of professional integrity and experience and they adopt a disciplined, systematic and methodical approach in their endeavour to ensure that appropriate procedures and controls are in place within the Group. The yearly internal audit plan is approved by the RMAC taking into consideration the three-years rolling cycle and risk profile of Companies within the Group. Regular updates are given to the RMAC on audit assignments and the implementation progress of recommendations and action plans agreed with Management. The activities of the Risk and Audit department are separate and distinct from those of the Group's external auditors. Critical findings arising from the internal audit activity are formally reported to, and comprehensively addressed by the RMAC. The Chairman of the RMAC reports to the Board on issues raised by the internal auditors. The Board is comforted that all significant areas of the organisation have been covered by the internal audit and no restrictions have been placed over the right of access to records, Management and employees.

## Risk Management

The Group's risk management system is designed to support its strategy and the achievement of the objectives by anticipating and managing opportunities for and potential threats to business. Risks are managed within an established framework with three main building blocks:

- RMAC operates within a formal charter and is chaired by an independent director;
- Business units manage their risks including the outsourcing of certain risks to insurance companies;
- Internal Audit independently reviews, monitors and tests business units' compliance with policies and procedures.

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