

United Nation Global Compact

2015

Energy drives everything

We are committed to pursue the path taken by our forefathers more than a century ago to be a key player in Mauritius and beyond. We are more than 4,000 employees in 52 locations across a dozen territories serving with deep expertise in our core markets, which are Financial & Business Services, Hospitality, Logistics and Property Investments. As a listed international services and investment company, we look forward to tomorrow with a spirit of leadership, agility and dynamism.

Leadership

The audacity and engagement of our people to create purposeful impact with others.

Agility

Our ability to anticipate changes and act together in a coordinated manner.

Dynamism

Is the focused energy of our people which drives Rogers forward.

CEO's Message

Philippe Espitalier-Noël



It is with great pleasure that we are presenting our progress made towards the UN Global Compact principles since our last report in January 2015. This was another year of significant progress as the Group completed its transition from a commercial conglomerate to an International Services and Investment company. Over the next 5 years, the business will focus its resources on the expansion of its 4 main markets namely Financial & Business Services, Hospitality, Logistics and Property Investments.

The Rogers Group is continuing on the foundations laid by our forefathers since 1899 and consolidated over the past 15 years through enhanced strategic focus. It is the focused energy of our people that drives our Group forward, and our actions and decisions are based on our core values, which are leadership, agility and dynamism. These values have been incorporated in our strategic plan, Beyond 2015, and we will roll out a communication campaign emphasizing these values and the positioning of our Group over the next few months.

Rogers Group understands the importance of sustainability in its everyday activities and shall endeavor to the best of its ability to carry business in a responsible manner without compromising the ability of future generations to meet their own needs. It is also our responsibility to contribute to the welfare of our community and environment with the support of the people within and outside of the Group. After our marked engagement in the fight against HIV/AIDS, we continue directing our energies and resources towards preserving our coastal and marine ecosystems with the intent of making a meaningful contribution towards a better, more sustainable Mauritius through sensitizing, educating and supporting national and local actions. The ultimate goal is to create value for all its stakeholders.

Philippe Espitalier-Noël,

Chief Executive Officer



Corporate Social Responsibility

Sustainable Development

OUR STRATEGY

This past year has seen a major shift in the way Rogers Companies approach their Social and Environmental responsibilities. Up till now Corporate Social Responsibility (CSR) in Mauritius had been appraised and reported as the 2% comprehensive income donations contributed to non-governmental organizations, or used to finance projects benefiting society and vulnerable groups at large. The Group companies seldom reported on their efforts, and those of their employees, in doing business in a responsible way, in compliance with the rules of law, in adherence with ethical governance and in ways that would minimize our impact on the planet.

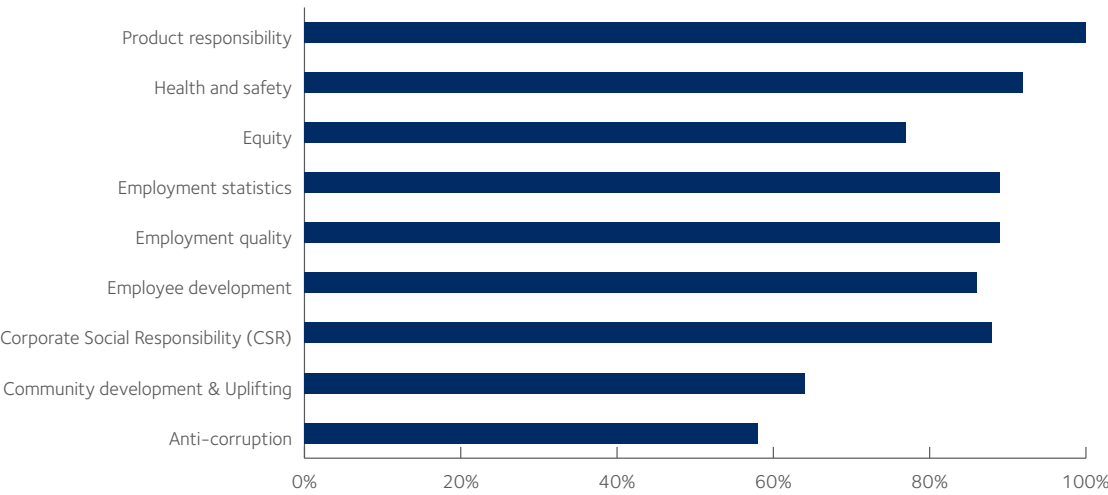
Rogers has focused its attention on sustainable development issues and increased dedicated resources responsible for formalizing its policies, actions, monitoring and reporting. Committees were set up in each business unit to drive this process and manage various interventions and related KPIs. This report demonstrates the direction taken by these committees and some of the upcoming orientations adopted by the different units.



The four pillars of sustainable development identified by Rogers are equally found in the international model of good governance and in that of SEMSI - the Stock Exchange of Mauritius' Sustainability Index, a national performance evaluation of the sustainable development of listed Mauritian companies. This year Rogers participated in the first SEMSI reporting as show in the two tables of indicators below and forms part of the first companies to be accredited with the SEMSI label.

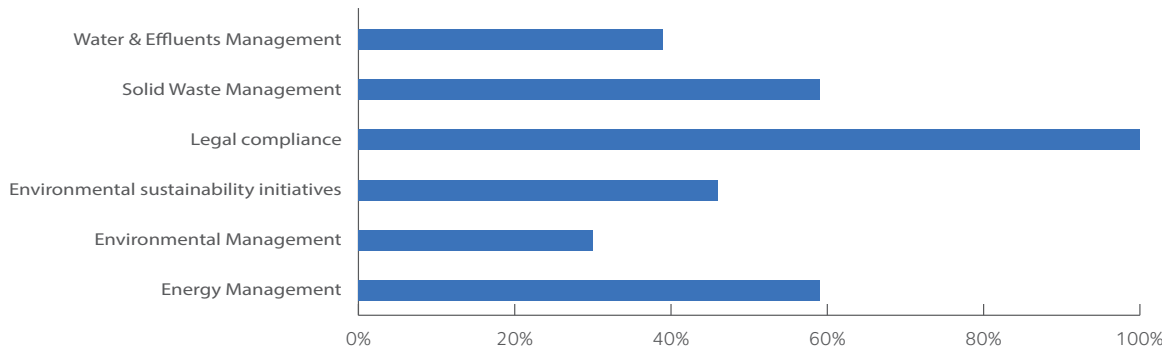
Social indicators

based on SEM Sustainable Index



Environmental indicators

based on SEM Sustainable Index





Energy drives sustainability

It is our responsibility to contribute to the welfare of our community and environment with the support of the people within and outside our Group. We are proactive as a corporate citizen and will continue making a positive, meaningful contribution towards a better, more sustainable Mauritius through sensitising, educating and supporting national and local actions.

Program for the protection of Mauritius coastal areas

ACTIONS THAT SUPPORT THE PROTECTION OF OUR COAST PROGRAM

The Rogers Group actively participated in the following projects as part of its CSR strategy of Awareness, Education and Support towards reducing the human negative environmental impacts on our coastal areas:

Mobile Marine Education Unit – Bis Lamer a partnership with REEF Conservation

Dedicated to the protection of the Mauritian marine environment through research, restoration, education and training, Reef Conservation is an NGO that employs professional marine biologists, project coordinators, and educators for the management and implementation of projects on conservation of the marine environment.

Through the Bis Lamer the Reef team transports its knowledge and marine activities to all Mauritians through schools, community centers, public beaches, shopping malls, and in the workplace where they are invited. This class on wheels is equipped of interactive tools and fun presentations as well as laboratory equipment to accompany the educational experience.

To date the Bis Lamer education unit has educated some 4,171 students and 1,299 adults on marine and environmental issues. Some 50 schools and 24 general population areas such as community centers, shopping mall and public beaches were visited. Moreover, 41.7% of Rogers' staff have followed training courses given by the marine educators of REEF Conservation.

Protection of Marine Turtles in Mauritius

A national network composed of the Albion Fisheries Research Centre, Ministry of Ocean Economy, Marine Resources, Fisheries and Outer Islands, the National Coast Guard, Mauritius Marine Conservation, REEF Conservation, ECOSUD and the CSR of Omnicane, ENL, HSBC, Currimjee and Rogers on the protection of the endangered sea turtles on the Mauritian shores actively worked towards safeguarding the nesting sites. At the end of the current nesting season the average of sea turtles saved will be disclosed.

Clean Up Series

Learning and teaching cleanliness by example is the goal of this staff volunteering program. Several clean-up exercises of public areas were carried out throughout the year by the Rogers group employees. The latest clean up exercise was done on the beach from Rivière des Gallets to Bel Ombre.

Big Bottle Bin

The waste recycling process initiative at Rogers House started with a very visual collection of plastic bottles in front of the Head Office. Increasing awareness, fostering education and encouragement for recycling habits remains a pillar of our engagement carried out in collaboration with all tenant institutions, notably Rogers Corporate, Aviation & Asset Management, EIS and the US & Australian Embassies.

OLEA Social Program

Following the Group's support to 50 impoverished families in the Moka region, successes and smiles are showing up. Several beneficiaries have obtained jobs and others are now enrolled in various formal training programs. Most importantly, life education workshops and psychological support have contributed to improve relationships among families. Ongoing efforts are also being made for finding housing solutions and providing continued psycho-social support to those who need it.

Maisons Chaleureuses de Jérusalem et de Madagascar – As part of the Group's CSR commitment in countries where it operates, Rogers supported financially these two projects which provide help to adolescents in distress abroad.



Initiatives carried out by our business units

OUR BUSINESS UNITS

Aviation

The Aviation Sector supported efforts for the prevention of coastal and marine pollution in Mauritius and provided training to its employees on this important issue. Other initiatives included the plantation of mangroves at Rivière Sèche, the collection of plastic for the profit of 'La Courte Echelle' School and the introduction and monitoring of energy saving measures. Rogers Aviation is also one of the sponsors of Eco Clip, a project wherein youth of the Indian Ocean region used smartphones to produce clips about ecological initiatives. An assignment under the 'Islands' Initiative program of the Indian Ocean Commission.

Hospitality

Veranda Leisure & Hospitality has pursued its support to local schools in the North while supporting new ones in the South, notably Coquille Bonheur Kindergarden and Joie de Vivre School. Moreover, significant investments have been made in improving energy and water use at the Resorts, the most notable being the installation of a voltage optimizer for a cleaner power supply at Heritage Le Telfair.

Logistics

Velogic improved their procedures concerning the management of industrial waste and risks linked to their activities. The staff was trained by Mission Verte in waste sorting and guided in implementing a comprehensive waste management system. Contributions to the community were also made in the Arts, Sports and Vocational Training of disadvantaged youth through the following NGOs: Atelier Mo'zar, Faucon Flacq Sporting Club, Foundation for Excellence in Sports and Educational and Vocational Foundation.

Property

Ascencia supported the seabird translocation project of the Mauritian Wildlife Foundation (MWF). This innovative method of restoration of lost seabird community on Ile aux Aigrettes is a major tool in ensuring the survival of threatened species in our region and worldwide. MWF's scientists are developing new methodologies and learning as much as possible on these species. More on the website of mauritian-wildlife.org.

Real Estate and Agribusiness

The Compagnie Sucrière de Bel Ombre continued its effort for the rehabilitation of the endemic flora and fauna in the protected areas of La Reserve Naturelle de Frédérica, Case Noyale and Seven Coloured Earth. Other initiatives carried out during the year included the continued funding of l'Ecole des Parents' at Chamarel and supporting Bel Ombre inhabitants who were affected by flooding.

Technology

EIS has reviewed the energy consumption of its various equipment and is gradually replacing its servers, monitors and light bulbs with energy saving models. Fuel consumption is equally closely monitored and new fuel efficient and low carbon emission vehicles are favored.



Human rights and Labour standards principles

Rogers employs 4,206 people over twelve countries. Having a skilled and motivated employee base is key to delivering successful business strategies. The Human Resources (HR) department focuses on providing solutions to the personnel issues of businesses of the Group by ensuring recruitment of talented individuals, developing vital skills, sustaining engagement at work and helping to improve performance on the job.

The Human Resources Strategy at Rogers is about enabling business growth via proactive people management and development solutions. A dynamic and engaged team of some sixty talented individuals in Human Resources services our employee base. The core philosophy of the human resources team is to help grow the performance and potential of our people. During the 2014-2015 financial year, the Corporate Human Resources team played an important role to assist in business growth by facilitating change in the property sector merger and acquisitions in financial services sector.

The team also played a key role in deploying a national employee engagement survey in collaboration with Aon Hewitt. The survey covered over 12,000+ employees spanning 110 companies in Mauritius, thus establishing a credible national benchmark for employee engagement, including engagement behaviours and drivers.

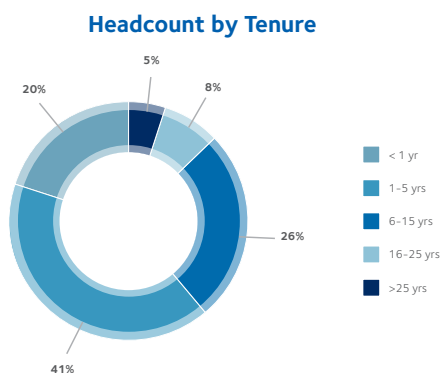
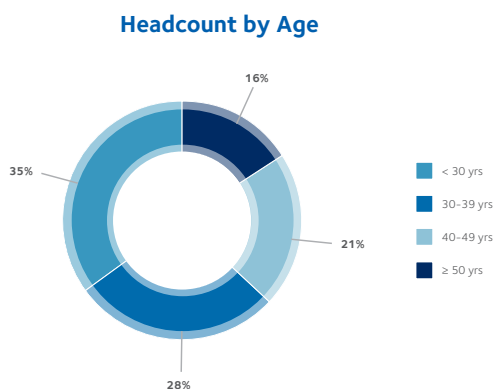
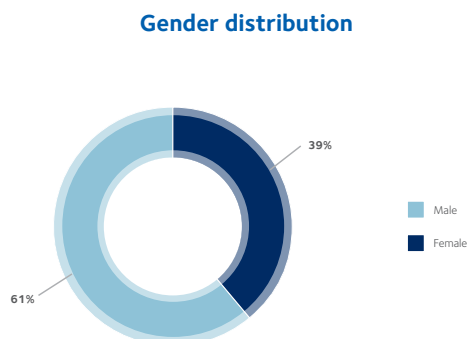
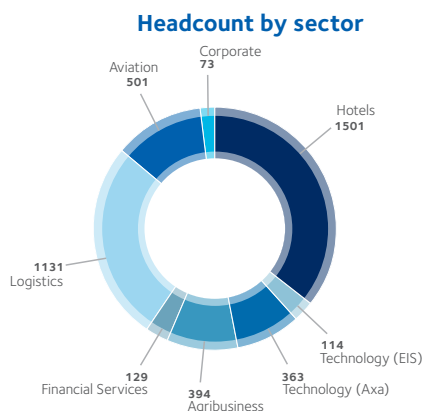
The Rogers Learning Centre was revamped into the Rogers Academy with a view to organize and deliver workshops, executive coaching sessions and assessment centre to cover a range of new people development topics both internally and externally. In line with the pioneering culture of the company, Rogers Academy successfully introduced NLP (Neuro Linguistic Programming) certification workshops as well as Agility workshops for the first time in Mauritius.

EMPLOYEE REMUNERATION

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 to benchmark with practices in the relevant industries. This is used to review and update internal salary scales and benefits bands across the Group.

HEALTH & SAFETY

The ANSI/AIHA Z10-2012 safety management system (SMS) is being used currently across the group. As there are frequent demands for a more internationally recognised SMS from partners abroad. The company will evaluate future needs and take a decision whether to make a switch or not to ISO 45000 standard which is officially coming out in 2016.



Internal Control & Risk Management

Good Governance and anticorruption system

The responsibility for the Group's internal control system lies with the Board of Directors. An efficient system of internal control ensures that risks are maintained at a reasonable level in order to meet business objectives. It is Management's duty to put in place internal controls that focus on implementing strategies and policies adopted by the Board, maintaining proper accounting records and managing the Group's overall risk level.

The Board therefore delegates appropriate responsibilities relating to the management of internal controls to the Risk Management and Audit Committee.

In line with the Mauritian Code of Corporate Governance, Rogers has set up a Risk Management and Audit Committee (RMAC) in 2002 whose main objectives are to ensure the existence and efficiency of a system of internal control which reflects the size of the Group as well as its diversity. The RMAC also ensures that risks are identified, mitigated and managed as required, in line with Board's set risk appetite.

The internal audit function is carried out by the Risk & Audit Department, an independent in-house business unit operating within a framework aligned with the various policies in existence within the Group.

Risk and Audit Department

The Risk and Audit departments provides assurance to the Board that adequate controls are in place to safeguard the Group's income and assets. In addition, it ensures that risks are identified, assessed and mitigated so as to enable operational and financial success within the different companies in the Group. A risk based internal auditing approach is used to determine the most efficient use of the department acts as a business advisor and assists Management where possible in achieving its strategic goals. The adequacy and relevance of internal controls is dictated by the Rogers Guidelines & Policies Manual (RGPM).



Risk Management

“Our risk management framework is a key component of our business model and is designed primarily to protect our shareholders, people, assets, reputation and clients’ interests and reputation.”

At Rogers, risk management is embedded in our day-to-day activities and plays a fundamental role on how we work across the Group. Risk intelligence and risk management are essential to all our actions given our diversified activities, geographical locations and legal framework in which we operate.

In order to ensure that our risk management framework meets our business needs, the Board, together with Management ensures that our approach to risk management remains proactive, methodical and integrated.

RISK MANAGEMENT FRAMEWORK

Our risk management framework is a key component of our business model and is designed primarily to protect our shareholders, people, assets, clients’ interests and reputation. The risk management process helps the Group to achieve its strategic and operational objectives. By embedding risk management techniques in our daily operations, Rogers is better equipped to identify events and actions affecting its objectives and to manage risks in order to implement its strategies.

Overall accountability for risk management lies with the Board who articulates the risks that the Group is willing to take in pursuit of its strategies through the Group’s risk appetite. Risk appetite is a vital, forward-looking perspective since it guides Management in assessing the level of acceptable risks while developing its strategies. The risk appetite also sets stakeholders’ expectations with regards to the level of risks that Rogers is willing to undertake.

It is the responsibility of the Board, through the RMAC, to communicate Rogers’ risk appetite to Management and the key stakeholders as required. Risk appetite for each sector is determined by taking into account the context and maturity of the sector, the nature of the business, Management’s expertise and experience, stakeholders’ expectations of the sectors and the global economic context.

Each sector’s risk appetite is reassessed on a regular basis:

- as part of the annual strategic planning cycle and objectives setting processes;
- when significant changes occur within Rogers (e.g restructuring);
- with variations in the economic and business landscape;
- when alterations are made to the Group’s objectives and strategies; and
- following changes in stakeholders’ expectations and / or risk preferences.

Our risk management process aims at identifying new and emerging risks at an early stage so that they are assessed alongside known and continuing risks. Major risks faced by the Group, together with the identified mitigating measures, are regularly assessed to ensure that the Group’s risk profile is as expected.

The list of top 10 strategic risks of the Rogers Group is based on the residual risk gap, which is the difference between the current level of residual risk and the desired level of residual risk. The following table describes those risks facing the Group and the means adopted to mitigate them.

Key strategic risks	Sectors							
	Aviation	Financial Services	Hospitality	Logistics	Property	Real Estate & Agribusiness	Technology	Corporate
Skills attraction, performance and retention	●	●	●	●		●	●	●
Business continuity	●	●	●	●	●	●	●	●
Stakeholder engagement	●	●	●	●	●	●	●	●
Innovation	●	●				●	●	●
Market Intelligence	●	●	●	●	●	●	●	●
Legal and regulatory compliance	●	●	●		●	●	●	●
Projects, strategic partnerships and acquisitions (Domestic and International)	●	●	●	●	●	●	●	●
Concentration	●	●	●	●	●		●	
Liquidity	●	●	●	●	●	●	●	●
ICT infrastructure / IT infrastructure		●	●	●	●	●		●

■ Risk not identified in the sector

● Mega ● Substantial ● Significant ● Moderate ● Minor ● Insignificant

SKILLS ATTRACTION, PERFORMANCE AND RETENTION		
High key staff turnover and shortage of skilled / qualified employees are essential issues which affect the Group's performance, success and ability to match international benchmarks.	ROOT CAUSE: <ul style="list-style-type: none"> Industries attractiveness Poaching of staff Inability to retain qualified employees 	COMMENTARY: In addition to a transparent performance assessment system, other factors are key: <ul style="list-style-type: none"> Job variety & satisfaction Staff input and involvement Training and career progression.
IMPACT: <ul style="list-style-type: none"> Quality of service is affected Reputational damage Low client satisfaction Business failure 	MITIGATION: <ul style="list-style-type: none"> Adequate rewards and recognition as well as provision of appropriate training and developments to employees on a continuous basis 	
CONCERNED SECTORS: The Group		

BUSINESS CONTINUITY		
The Group is exposed to high-impact risks which may threaten its ability to sustain operations, provide essential products and services or recover operating costs to function in the event of a major disaster.	ROOT CAUSE: <ul style="list-style-type: none"> Business interruptions stemming from natural disasters, political unrest, strikes and system breakdown may threaten Rogers' capacity to continue operations 	COMMENTARY: All sectors will review their Business Continuity plans and ensure that emerging risks are addressed correctly.
IMPACT: <ul style="list-style-type: none"> Financial losses Reputational damage Litigation exposure 	MITIGATION: <ul style="list-style-type: none"> Business Continuity and Disaster Recovery Plan in line with the emergence of new and high-impact risks including cyber-threats 	
CONCERNED SECTORS: The Group		

INNOVATION		
Rogers is not leveraging innovation in its business model to achieve or sustain competitive advantage.	ROOT CAUSE: <ul style="list-style-type: none"> Change in customer behaviour and buying patterns as well as the arrival of new international players impact the Group's capacity and capability of exploiting the innovation space 	COMMENTARY: The risk of not evolving and this falling behind is far greater than the risk involved in change.
IMPACT: <ul style="list-style-type: none"> Erosion of customer base Financial loss Lost opportunities Reputational damage 	MITIGATION: <ul style="list-style-type: none"> Regular clients surveys and investment in new system/technologies as well as the implementation of a quality management system 	
CONCERNED SECTORS: Aviation Technology Financial Services Corporate Real Estate & Agribusiness		

STAKEHOLDER ENGAGEMENT		
The Group should at any time maintain and manage an adequate relationship with the stakeholders. Erosion of a trademark or brand over time will threaten the demand for Rogers' products or services and impair its ability to grow future revenue streams.	ROOT CAUSE: <ul style="list-style-type: none"> Misalignment of interest and lack of communication with the different stakeholders lead to potential misunderstanding and disputes amongst the different parties 	COMMENTARY: The identification of all key stakeholders and their needs is an essential first step in this process.
IMPACT: <ul style="list-style-type: none"> Reputational damage Erosion of customer base Decrease in profitability 	MITIGATION: <ul style="list-style-type: none"> Group synergy with other divisions as well as sharing of information and decision with relevant stakeholders done in conjunction with Head of communications of every sector 	
CONCERNED SECTORS: The Group		

MARKET INTELLIGENCE		
The Group's lack of relevant and/or reliable information on competitors may result in prices or rates that customers are indisposed to pay.	ROOT CAUSE: <ul style="list-style-type: none"> The endless new entrants on the market and the lack of benchmarking exercise 	COMMENTARY: Greater use of experts under the co-sourcing arrangements when required. A focus on evaluation and improvement highlight good practices and areas of opportunities. Investment in target markets, such as the African Continent, require a thorough understanding of practices and culture.
IMPACT: <ul style="list-style-type: none"> Erosion of customer base Loss of competitive advantage Financial loss Wrong strategic decisions taken 	MITIGATION: <ul style="list-style-type: none"> Benchmarking exercise and market surveillance are essential but most importantly are the new developments of projects to increase Rogers' competitiveness 	
CONCERNED SECTORS: The Group		

LEGAL AND REGULATORY COMPLIANCE		
Internal and external compliance procedures not being adhered to by relevant parties. This attitude exposes the Group to continuity interruptions.	ROOT CAUSE: <ul style="list-style-type: none"> Lack of enforcement / communication of policies and procedures Rigid set of rules 	COMMENTARY: A 'push down' of testing activities to the business to help sectors manage their risks in real time. Increase of non-financial reviews and audits. Compliance with International Auditing Standards and sectorial regulations.
IMPACT: <ul style="list-style-type: none"> Reputational damage Litigation exposure Fines and penalties Financial losses 	MITIGATION: <ul style="list-style-type: none"> Ensure compliance with regulations, compliance manual and sound operational processes. Litigation register in place that is being monitored and reported at Corporate level and RMAC 	
CONCERNED SECTORS: Property Hospitality Aviation Technology Financial Services Corporate Real Estate & Agribusiness		

PROJECTS, STRATEGIC PARTNERSHIPS AND ACQUISITIONS (Domestic and International)		
Inefficient or ineffective alliance, joint venture, affiliate and other external relationships affect Rogers' capability to compete.	ROOT CAUSE: <ul style="list-style-type: none"> These uncertainties arise due to choosing the wrong partner, poor execution, exceeding given time frames and failing to capitalize on partnering opportunities 	COMMENTARY: The Group will develop a standard approach to project, partnership and acquisition while allowing flexibility to cater for individuality of projects.
IMPACT: <ul style="list-style-type: none"> Reputational damage Possible financial loss (acquisitions) Inability to expand and grow the business 	MITIGATION: <ul style="list-style-type: none"> Right people to manage the business should be hired. Project appraisals should be performed as well as Board approval is required for any investment decisions / acquisitions 	
CONCERNED SECTORS: The Group		

CONCENTRATION		
Due to a saturation within the markets, the need for Sectors' to constantly reassess new trends is a prerequisite.	ROOT CAUSE: <ul style="list-style-type: none"> Over dependence and heavy reliance on major clients may result in the risk of not capturing opportunities Lack of market analysis 	COMMENTARY: In addition to traditional concentration risk (e.g. one client), sectors are now assessing the risk of operating in a single jurisdiction / location and adapting their strategies accordingly.
IMPACT: <ul style="list-style-type: none"> The financial sustainability of businesses Loss of key customers / personnel 	MITIGATION: <ul style="list-style-type: none"> Continuous evaluation of new opportunities and assessing the risks associated with particular opportunities prior to the selection of an exclusively targeted market. This may enhance the market diversification within the Group 	
CONCERNED SECTORS: Property Hospitality Logistics Aviation Technology Financial Services		

LIQUIDITY		
Rogers' Group is exposed to insufficient means of cash flow to meet its financial obligations.	ROOT CAUSE: <ul style="list-style-type: none"> Inexistence / non-adherence to the credit vetting exercise Delay in receiving money due to economic recession and late payment interest not being charged have accentuate the problem 	COMMENTARY: Regular review of the Group's strategic plan should enable better cash flow planning to cater for opportunities when they arise.
IMPACT: <ul style="list-style-type: none"> Inability to continue as a going concern Financial loss Reputational damage Opportunity loss 	MITIGATION: <ul style="list-style-type: none"> Assessing customer credit worthiness through bank guarantees. The application of a credit vetting process by a committee, with frequent checks being performed on credit limits awarded to clients. Capital injection from shareholders 	
CONCERNED SECTORS: The Group		

ICT INFRASTRUCTURE / IT INFRASTRUCTURE		
Inadequacy of and reliance on outdated reporting tools regarding areas such as accounting and compliance.	ROOT CAUSE: <ul style="list-style-type: none"> System failure, lack of training, lack of IT system documentation and loss of intellectual property 	COMMENTARY: The regular review and renewal of our ICT / IT infrastructure is now a must in the constantly evolving technological world if only to serve our clients better.
IMPACT: <ul style="list-style-type: none"> Reputational damage Financial loss Inability to continue as a going concern 	MITIGATION: <ul style="list-style-type: none"> Regular upgrades of the systems, internet and emails are performed to mitigate impact of changes 	
CONCERNED SECTORS: Hospitality Aviation Technology Financial Services Corporate Real Estate & Agribusiness		