

A photograph of a woman and a young child running along a sandy beach towards the ocean. The sun is low on the horizon, creating a bright, hazy sky and long shadows on the sand. The woman is wearing a light blue dress and the child is wearing a light blue shirt and dark shorts. They are holding hands and running away from the camera.

Rogers

**United Nation
Global Compact**

2017

We firmly believe that a work environment fostering trust and respect enables employees to develop their personal potential and contribute to the success of the Group.



Energy drives people.

Who we are ?

Rogers and Company Limited is a listed international services and investment company with nearly 120-year history pioneering the economic development of Mauritius. We are one of the country’s leading companies and largest employers in the services sectors with a strong commitment to Social and Natural Capital.

Total revenue – Rs m

8,663



What makes Rogers

Our Group is widely acknowledged for its solid asset base, quality network of contacts and partners, recognised expertise with substantial market share in each of the sectors in which we operate, as well as a united, competent and balanced team.

What we do

We conduct our operations in Mauritius and abroad in four served markets, which are FinTech, Hospitality, Logistics and Property, in which we have developed specialist expertise. Our operations within each served market are organised into sectors, all of them with a leading position in their respective industries.

What we value

Our activities at Rogers are based on our core values of Leadership, Dynamism and Agility, which are embedded in our every action and govern how we conduct business every day. We firmly believe that Energy drives Everything within our organisation, from dynamism to inspiration, agility, performance, sustainability and happiness.

Our Regional Presence

Over the years, we have expanded and diversified our footprint around the world, it currently spans three continents, and we employ 4,526 staff.

The presence of the Rogers brand outside Mauritius is detailed below:

- **Rogers Capital** has overseas desks in South Africa, Seychelles and Singapore.
- **VLH** has sales teams in France, UK and Germany.
- **Rogers Aviation** has regional offices in the Comoros, Madagascar, Mozambique, Mayotte, Reunion Island and South Africa.
- **Velogic** has established offices in strategic locations in Reunion, Madagascar, Mozambique, Kenya, France, India and Singapore. We also have representations through agents for UPS in the Seychelles, Comoros and Mayotte. Additionally, an agent operates under the brand name, Velogic in Bangladesh.

53
offices in
13
countries

Our Group Structure

Rogers



Events & Achievements 2016-2017

Product offering enhancement at Domaine de Bel Ombre

Significant upgrades to existing facilities at our hospitality venues on the Domaine de Bel Ombre have been undertaken from 15 May to 15 August 2017 in line with our long-term strategy to celebrate the history and beauty of this more than 250-year-old natural sanctuary. Heritage Le Telfair Golf & Spa Resort has undergone extensive renovation as part of its repositioning as a unique product in style, decoration and identity, in harmony with the Domaine. Le Chateau de Bel Ombre went through major refurbishment to bring out the rich and complex history as well as the authenticity of the place. Landscaping work was also carried out along the walkway linking Heritage Le Telfair Golf & Spa Resort and Le Chateau de Bel Ombre in order to create a much more integrated guest experience together with the Heritage Golf Club.

Veranda Palmar Beach’s spa gets a facelift

The spa at Veranda Palmar Beach Hotel has been refreshed in late 2016 with a nice bright facelift to further improve the guest experience. The decor of the two treatment rooms as well as the reception and relaxation areas have been revamped with beige and turquoise blue tones combined with light woodwork. The spa of this Veranda Resorts property also has a sauna.

A fresh look for the Ascencia brand

Ascencia, the premier property investment company in Mauritius with an asset portfolio of Rs 10.7bn and some 100,000m² of lettable space, has unveiled in July 2017 its new brand identity and tagline, “Shaping singular places”. The rebranding has been applied across the entire mall portfolio, which includes some of the best shopping and lifestyle destinations on the island, such as Bagatelle Mall, Phoenix Mall, Riche Terre Mall, Les Allées d’Helvetia, Kendra as well as So’Flo, which is slated scheduled to open in November 2017 in Floreal.

Bagatelle Mall celebrates 5th anniversary

Bagatelle Mall put up an activity-packed programme including live window displays, live concerts, a lucky draw and a special decor throughout the month of September 2016 to mark the mall’s fifth year in operation. The anniversary celebration of the country’s premier shopping venue with a monthly average of 700,000 visitors culminated with a festive evening on 30 September 2016 at La Place du Moulin on the Domaine de Bel Ombre, which brought together tenants, partners, service providers, employees and government officials.



Continued social and environmental commitment

The special purpose vehicle Rogers Foundation, established to implement our Group’s Corporate Social Responsibility objectives, has undertaken a number of initiatives in the 2017 financial year. In line with our commitment to the protection of the island’s coastal and marine ecosystems, we offered our continued support to the NGO, Reef Conservation’s “Bis Lamer”. This Mobile Marine Education Unit aims at bringing education about marine and environmental issues closer to the people. A comic book, “Tikoulou, la légende de Bel Ombre” was launched in March 2017 and distributed for free to children in order to provide them with a playful and educational introduction to the rich ecosystems and biodiversity of Bel Ombre. A beach erosion mitigation project is also under way since June in the region. Additionally, the Foundation lent its support to the fundraising efforts to help the victims of cyclone Enawo, which hit Madagascar in early March 2017.



Heritage Resorts awarded Green Key eco-label

Heritage Awali Golf & Spa Resort and Heritage Le Telfair Golf & Spa Resort, our two luxury five-star hotels on the Domaine de Bel Ombre, became in January 2017 the first two establishments in Mauritius to achieve the prestigious Green Key award. They are now part of over 2,500 sites across the globe to have been presented with this certification. The Green Key eco-label is a leading standard of excellence in the field of environmental responsibility and sustainable operations within the tourism industry. It represents a commitment from tourism establishments to adhere to the strict criteria stipulated by the Foundation for Environmental Education (FEE).

Events & Achievements 2016-2017

Heritage properties win accolades at World Golf Awards

The Heritage Golf Club and Heritage Le Telfair Golf & Spa Resort were both rewarded at the third edition of the World Golf Awards Gala Ceremony held on 12 November 2016 in Portugal. For the third year in a row, the Heritage Golf Club was voted Best Indian Ocean Golf Course. Heritage Le Telfair Golf & Spa Resort received the award for the Best Golf Hotel in the Indian Ocean. This award programme forming part of the prestigious World Travel Awards is one of the highest accolades in golf tourism.



Ascencia wins Corporate Reporting Award

The country's largest listed property fund, Ascencia has won in March 2017 the highly coveted PwC Corporate Reporting Award in the category, Listed Companies. This distinction is a tribute to the consistent hard work expended by our Group's Property Investment sector to ensure high-quality reporting. The PwC Corporate Reporting Awards have been established since 1998 to recognize efforts made by companies to improve the presentation and contents of their annual reports.



Encouraging young musicians from Patyatann

The Rogers Group has reiterated its support for the promotion of arts and culture in the country through contributing to the creation of the debut album of Patyatann. This group of four young artists has been honing their art on the local music scene since 2012 prior to releasing "Sanpek" on 6 August 2016 with ten tracks celebrating the cultural diversity of Mauritius.

Veranda Resorts adds a 5th hotel to its portfolio

The VLH Group has strengthened its portfolio of a 'hotel de charme' with the acquisition of Tamarin Hotel in September 2016. Nestled between rolling hills and the preserved bay of Tamarin, this colourful 66-room three-star hotel is the first foray the Veranda Resorts brand on the West coast of the island. Renamed Hotel Tamarin by Veranda Resorts, the property is set to undergo renovation from early 2018 to increase the number of rooms to 100 and take full advantage of its unique location and concept.



Support to the 11th Annual GSSI Conference

Rogers was a proud Platinum Sponsor of the 11th Annual Global Sales Science Institute (GSSI) Conference, which was hosted from 6 June to 9 June 2017 at the Paradis Beachcomber Golf Resort & Spa. The event, themed "New Frontiers in Sales Research & Education in a Global & Sustainable World" was attended by over 80 participants from 16 countries. The Global Sales Science Institute is an international network formed in 2007 by scholars and practitioners from across the world with the aim to unite the study and practice of sales and sales management around the globe.

Strategy Execution for Business Leaders

Some 70 leadership team members of the different business lines of Rogers and Senior Managers of the ENL Group were treated to a masterclass in October 2016 on "Strategy Execution for Business Leaders" with Phil Parker, the Chair Professor of Management Science at INSEAD, the international business school based in Fontainebleau, France. This was an opportunity for them to work on themes such as objectives, audits, strategic models, strategy execution as well as monitoring and evaluation tools. The interaction that took place has

prompted a review of the strategic plans and the implementation of action plans for each sector. This intensive five-day seminar has also contributed to strengthen the collaboration between the Group's different sectors. Phil Parker is currently based in Singapore where he teaches business strategy and marketing. He also has teaching experience in Africa, Asia, Latin America, Europe and the Middle East.

Rogers Capital steps into the FinTech arena

Our Group has merged together and consolidated our expertise in the FinTech served market in October 2016 to form a single unified brand, Rogers Capital. Harnessing the power of technology to make financial services more agile, efficient and trustworthy, the entity is organised into three sectors – Corporate Services, Technology Services and Financial Services – combining world-class financial expertise with cutting-edge technology to provide sophisticated business solutions tailored to clients' needs. Ashley Coomar, who has over 10 years' senior management experience with the Group, has taken up the role of Chief Executive Officer of Rogers Capital in February 2017.

Porlwi by Light

Our Group supported this year again, for the second year running, the Festival of Contemporary Culture, Porlwi by Light, which was held from 2 December to 4 December 2016.



Energy drives leadership.



Leadership is about having the audacity to make decisive and thoughtful choices. Prakash Luchmun and Jordan Ah Kiow are respectively Corporate Manager – Information Systems and Internal Auditor and play with the employees' football team. For them, Energy drives leadership into everything they do, at work and off work.



In line with the Rogers' strategic roadmap, 2017 was a year that saw the Group delivering solid financial results and continuing to establish the building blocks for future growth, says the CEO, Philippe Espitalier-Noël.



Interview with the CEO Philippe Espitalier-Noël

How would you describe Rogers' performance in the prevailing economic environment?

Growth in the global and national economy in 2016 remained subdued at 3.1% and 3.8% respectively and forecasts for the current calendar year indicate an increase to 3.5% and 3.9% respectively. Mauritius remains among the most investment and business-friendly countries in the world. An improved global investor sentiment has translated into an increase in FDI inflows, and tourist arrivals continue to rise. However, the trade deficit is widening, driving a gradual increase in the current account deficit and our country is yet to meet the debt target of 50% of GDP by end 2018.

Our Group navigated this intricate economic environment with agility to deliver an overall good performance. A year-on-year revenue improvement of 6% to Rs 8,663m was mainly driven by the Property Investments sector on the back of improved rental rates and the Logistics sector, which benefited from better results and inclusion of a full year's profit for the Kenya operation. On a consolidated level, the Group's PAT before exceptional items increased by 24% to Rs 975m in the 2017 financial year against Rs 787m in 2016. Higher fair value gains were recorded following the increased rental rates on both Phoenix Mall and Bagatelle Mall. However, results from our Hotels sector were significantly impacted by a 2016 financial year-end adjustment relating to our associate, New Mauritius Hotels (NMH), as further efforts were made to redress optimistic assumptions made by the previous management. The contribution from our Hospitality served market would otherwise have shown a marked improvement in comparison with the 2016 figures.

What are your strategic priorities and objectives for Rogers going forward?

We carried out a strategic planning exercise in the 2017 financial year to establish our priorities and direction for the coming three-year period. Our three main pillars will be the expansion of our FinTech-related activities, the development of a sizeable leisure business as well as the turnaround of agribusiness activities and a review of our real estate business in the Bel Ombre region. The overall objective is to achieve a balanced share of profit contribution from each of our served markets. We have reviewed the strategic orientation of our FinTech arm with a significant focus on developing new offerings around consumer credit and e-payment through material investment that will allow us to bring in the required competencies and infrastructure. These new disruptive offerings will be launched in the 2018 financial year and are expected to become a major driver of profitability in the next 2-3 years. In addition, we will continue to improve our offering in the Corporate Services segment while pursuing our international diversification strategy. In order to complement our Hospitality offering, we have acquired ENL Lifestyle on 01 July 2017. Now rebranded as Island Living, the entity will operate under our Leisure sector, overseeing the activities of Ocean Basket, Savinia Bistrot, Moka'Z and Voilà Bagatelle, as well as Leisure activities previously managed by Compagnie Sucrière de Bel Ombre and Case Noyale, such as Le Chamarel Restaurant, the Seven Coloured Earth and Frederica Nature Reserve. Island Living is additionally working on a number of projects that are expected to be launched in the 2018 financial year.

What are the specific challenges that need to be addressed to implement the strategy laid out?

Indeed, over and above broad-scale dynamics, we always have some key challenges to address. The future of our AXA Customer Services joint venture will require attention as the AXA Group reviews its own strategic direction. In the Hospitality served market, the Travel sector is moving forward with the digitalisation of its operations, while our associate, NMH is expected to improve its performance on the back of ongoing efforts to restructure its Moroccan investments.

On the Logistics front, the main challenge remains the improvement of the transport activity, the emerging weakness in the local freight forwarding operating conditions, and the need for scale and resilience of the freight forwarding business in France.

The development of Domaine de Bel Ombre remains an area of intense focus with the continued allocation of significant resources for the future. In the wake of the challenges facing the sugar

To conclude, how is the Group moving ahead with its Corporate Social Responsibility (CSR) and sustainability agenda?

We have committed the Group’s CSR funds to the implementation of a 5-year strategy over the 2013-2018 period to protect the coastal resources of Mauritius. However, following recent changes in the CSR legislation, notably with the requirement to transfer 1% of CSR funds directly to the Mauritius Revenue Authority from January 2018, the Board of our special purpose vehicle, the Rogers Foundation was due to convene on 29 August 2017 to make a decision about any adjustment that may be necessary.

As a consequence of the recent changes in the law, the remaining 1% of our CSR funds will be allocated in priority to funding projects that have already been contracted out towards achieving this goal, which include Bis Lamer, Bel Ombre Pedia, the Eco-School Programme and the sea turtle preservation initiative. We will additionally carry on with our support to the community development programme at Cité Sainte Catherine and the NGO, Passerelle’s centre for women in distress.

It is opportune to share that for the second time, the Group’s responsible and inclusive approach to development has been singled out by the UN for the good work undertaken at national level. Indeed we are proud to have been included in the Global Compact International Yearbook 2017 for the work done over the past few years with respect to lagoon and marine environment protection. At a time when some parties are questioning the good work done by the private sector, we are comforted by this recognition of our effectiveness and approach toward responsible, sustainable and integrated development.

In conjunction with our different business sectors, we intend to continue integrating the sustainability philosophy into our business strategies. The balance between economic, social and environmental goals has become a constant in all our projects. We are also working hard to reduce our carbon footprint and environmental metrics such as energy, water and waste consumption are now part of our key performance indicators and are monitored and evaluated.

As we move forward with our plans to develop our activities, I remain confident that we are well placed to deliver on our objectives of growing our presence across our served markets. I would like to thank our shareholders and Board, my colleagues on the management team, all employees across the Rogers Group and our other stakeholders for their contribution and support towards enhancing our value creation and performance.



Integrated Reporting

This integrated report includes the capitals identified by the International Integrated Reporting Council (IIRC) that are relevant to Rogers and Company Limited.



The capitals are stocks of value that are increased, decreased or transformed through the activities of the organisation. Throughout this section, we will emphasize the integration of these capitals into our value creation process while taking into account our business model, strategic process, business context, material risks and involvement of our various stakeholders.

Forms of Capital



Financial Capital

Financial capital refers to resources made available to our Group through equity funding, debt and retained earnings.

See Page 25



Human Capital

Human capital relates to competencies, expertise and engagement of our People.

See Page 29



Social and Natural Capital

Social and Natural capital is the relationship with communities, NGOs and other stakeholders on social and environmental matters that are relevant to the sustainability of our organisation within its ecosystem.

See Page 33

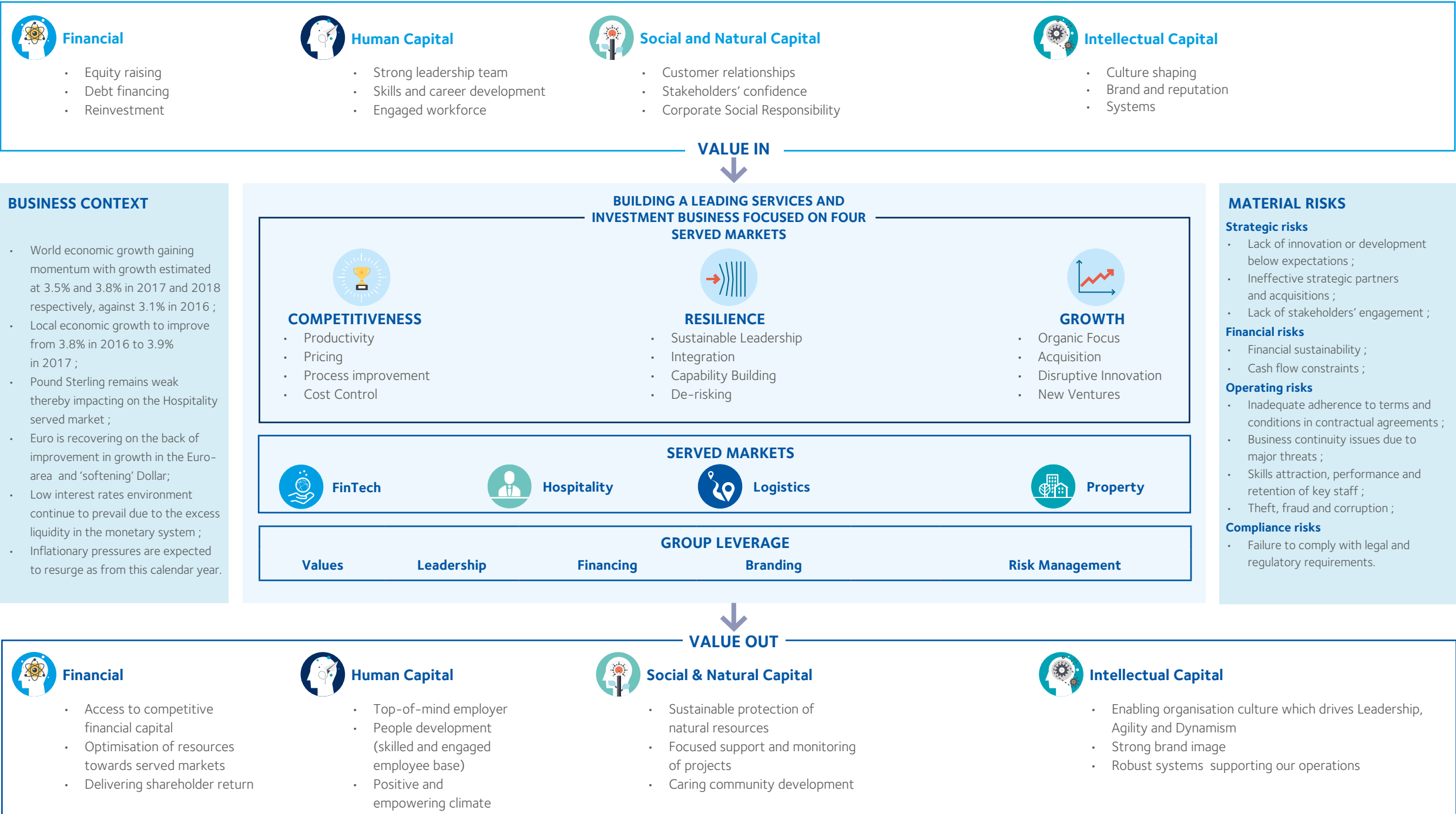


Intellectual Capital

Intellectual capital is the intangible value of the organisation such as culture, brand image, systems and expertise.

See Page 37

Our Value Creation Map



Our Served Markets



FinTech

Operating under the Rogers Capital brand, our FinTech platform provides services in the following sectors:

- Corporate Services (Fiduciary, Outsourcing and Consulting);
- Technology Services (Integrated Business Solutions, Cloud Computing and Connectivity Services);
- Financial Services is the emerging sector with consumer credit and electronic payment services.



Logistics

Our logistics arm, Velogic provides an integrated logistics platform with services consolidated under Port Services, Freight Forwarding, Shipping and Sugar Packaging.



Hospitality

The Hospitality served market provides a vertical integration of services which includes Hotels, Travel and Leisure. Through operations in VLH and a 22.76% equity investment in NMH, Rogers is a major player in the tourism industry accounting for more than 20% of total rooms available in Mauritius.



Property

The property portfolio includes our 40.15% equity investment in Ascencia, the largest property fund listed on the Stock Exchange of Mauritius, as well as our agricultural, property and leisure activities carried out at the Domaine de Bel Ombre.

Our Corporate Office

Rogers Corporate Office forms an integral part of the Group’s value creation process and is responsible for defining policies and strategy, corporate governance, risk management and the overall success of our organisation. The main functions carried out are Finance, Legal, Risk & Audit, Human Resources and Marketing & Communication.

Finance

The Finance department ensures that the Group’s financial reporting and compliance meet the requirements of International Financial Reporting Standards (IFRS) and all relevant legislation. In addition, the department provides support both to the Corporate Office and to our sectors in accounting, taxation and treasury management. The department also proposes corporate finance services to the Group, which include investment appraisal, funding of projects, strategic planning and assistance on mergers and acquisitions.

Legal

Rogers Legal acts as the backbone of the Group with regards to legal, regulatory and compliance matters. It assists the Group on mergers and acquisitions, including advising on investments and disinvestments, drafting and vetting of contractual documents and registration and renewal of marks. In concert with external lawyers, it ensures that the legal interests of the Group are safeguarded.

Risk & Audit

The Risk & Audit department 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. A risk-based internal auditing approach allows determining the most efficient use of the department’s resources and ensures that the most significant residual risks are addressed as a matter of priority. In addition, the department acts as a business advisor and assists Management where possible in achieving its strategic goals.

Human Resources

Rogers and Company Limited employs 4,526 people across 53 offices in 13 countries. A skilled and engaged workforce is a key lever of our business strategy. The Corporate Human Resources (HR) department provides human capital solutions to the business sectors, including acting as assessment centre for recruitment and selection, developing critical skills through the Rogers Academy, sustaining engagement at work and facilitating change initiatives within the Group. The Corporate HR team also delivers external human capital consulting services ranging from learning and development solutions to engagement surveys and organisation development interventions.

Marketing & Communication

The Marketing and Communication department is the voice of the company and its brands. It caters for various internal and external marketing and communications needs, and is responsible for applying the relevant offline and online tactics to maintain an appropriate level of engagement with stakeholders, including business and trade journalists, industry and financial analysts, investors, shareholders, customers, employees and the community at large.

Crafting and implementing marketing strategies, devising branding campaigns, creating advertising and artwork, planning and managing events, conducting public relations or shouldering crisis management are a few of the services that the Marketing and Communication Department provides to our sectors. As of 2017, the Marketing and Communication Department was reorganised to include the Corporate Social Responsibility, Sustainable Development and Project Management.

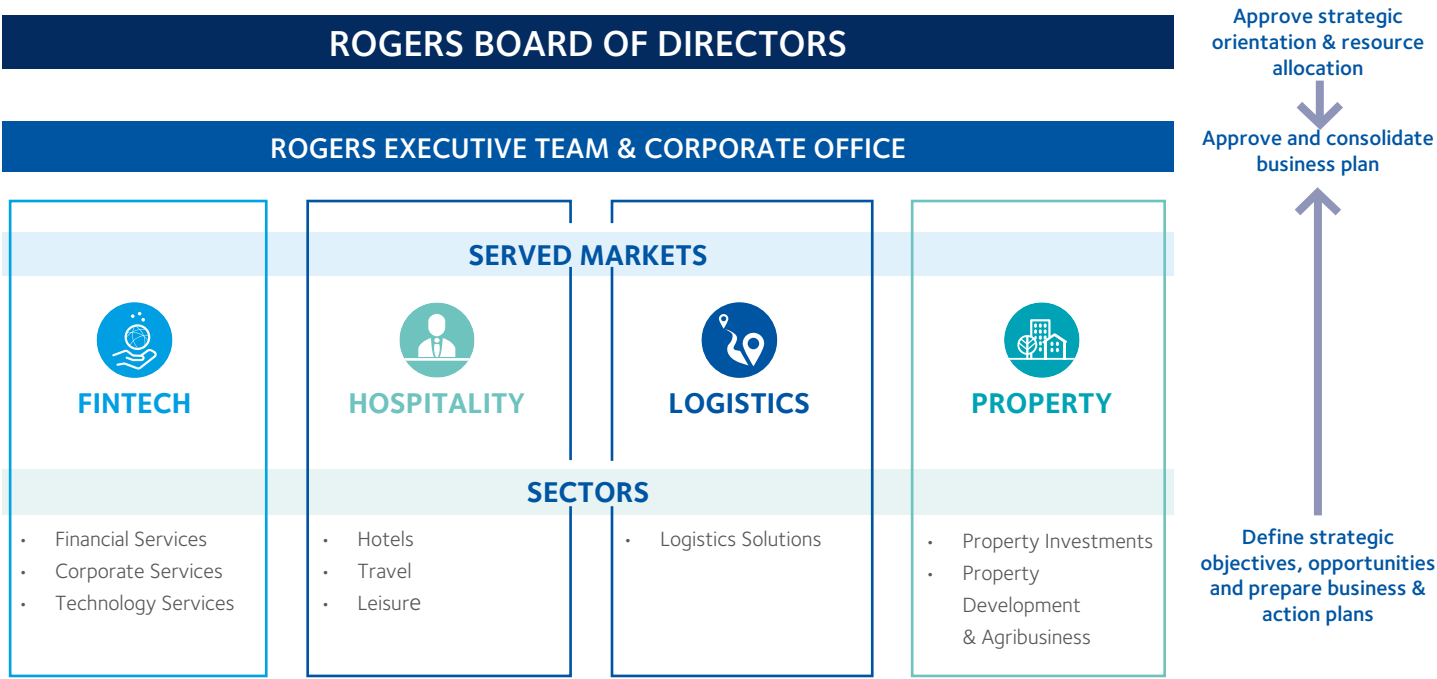
Strategic Plan Process

Our Group carries out a yearly exercise to prepare and approve its budget for the following financial year, and also its 3-year rolling strategic plan. The process starts in the 3rd quarter of the financial year with the Corporate Office providing the assumptions, guidelines and strategic orientation to the respective sectors.

The respective sectors under the leadership of their respective Chief Executive Officers prepare their strategic plan while taking into consideration the business objectives, HR strategy, risks and detailed action plans. The strategic plans are then presented to the Rogers Executive Team (RET) and Corporate Office members. The RET is under the leadership of Philippe Espitalier-Noël and is composed of the sectors' CEOs and Function Executives of Rogers.

The RET and Corporate Office review the budget and strategic plan and provide their recommendations to each sector. Once the strategic plan is validated, it is presented to the Board of Directors of each respective sector, and the financial forecasts and strategic plan are consolidated at Corporate Office level.

The consolidated budget and strategic plan are presented for approval to the Board of Rogers, which reviews the strategic orientation and resource allocation.



Financial Capital

Financial capital refers to resources made available to our Group through equity funding, debt and retained earnings



Stakeholders

- Investors on the Stock Exchange of Mauritius and minorities of subsidiaries;
- Providers of debt capital.



Stakeholder Expectations

- Sustainable growth in shareholders' equity;
- Growth in dividend yield;
- Responsible corporate governance;
- Sustainable interest cover and debt levels;
- Adequate liquidity position.



Strategic Response

- An experienced Board of Directors consisting of Executive and Non-Executive Directors to encompass the whole spectrum of the Group's activities;
- An established Risk Management and Audit Committee (RMAC) which oversees the soundness of financial reporting;
- Financial performance is reported in a timely manner to the authorities and to the public on a quarterly basis. Presentation format is reviewed continuously to align with best international practices. Additional resources have been deployed in the Communication Department to enhance communication through our website and other forms of media;
- An updated medium-term strategic plan guides the resource allocation to sectors, both in terms of investment and working capital needs;
- Our Group operates on a decentralized basis and the Treasury function at the Corporate Office constantly monitors cost of funds to ensure its optimal use;
- We have outsourced competencies to assist with strategic planning.



Outcome

- Communication on a quarterly basis of financial performance, with at-a-glance graphics and salient explanation of sectors' performance and outlook, through the Stock Exchange of Mauritius, the press, our website and social media;
- An update to our Group's 3-year strategic plan to 2020 was carried out and approved by the Board in June 2017;
- We presented our half-yearly and full-year results in our Investors' Briefing which targeted mainly fund managers, stockbrokers, bankers and other financial experts;
- A Review Committee ensures adequate communication of sector performance;
- Use of cheaper short-term debt as opposed to long-term debt;
- We maintain investment in new business activities in the existing served markets.

Financial Capital

HIGHLIGHTS OF FINANCIAL EVENTS FINANCIAL DATA

MONTH	FINANCIAL EVENTS
Oct-16	<ul style="list-style-type: none">VLH acquired 51% of Tamarin Hotel;Investors Briefing – Presentation of Final Results FY 2016;
Nov-16	<ul style="list-style-type: none">Release of First Quarter Results FY 2017;
Dec-16	<ul style="list-style-type: none">Declaration of Interim Dividend of Rs 0.32 per share (2016: Rs 0.32);
Jan-17	<ul style="list-style-type: none">Rogers increased its shareholding in New Mauritius Hotels (NMH) to 19.36% triggering a mandatory offer over NMH;
Feb-17	<ul style="list-style-type: none">Release of Second Quarter Results FY 2017;Investors Briefing – Presentation of Half-Year Results FY 2017;
Mar-17	<ul style="list-style-type: none">Following the mandatory offer, Rogers acquired an additional 3.4% stake in NMH, thereby increasing its shareholding to 22.76%;
May-17	<ul style="list-style-type: none">Release of Third Quarter Results FY 2017;
Jun-17	<ul style="list-style-type: none">Declaration of Final Dividend of Rs 0.60 per share (2016: Rs 0.56);
Sep-17	<ul style="list-style-type: none">Release of Full-Year Results for FY 2017.

Rs m	2017	2016
Revenue	8,663	8,167
EBITDA*	2,014	1,782
Profit after Tax (PAT)*	975	787
Attributable Earnings	485	405
Earnings per Share (EPS)*	1.35	1.35
Dividends per Share (DPS)	0.92	0.88
Net Asset Value per Share	40.83	37.60
Debt/Equity	0.52	0.54

Rs / %	2017	2016
Share Price as at 30 June	29.00	28.00
Market Capitalisation (Rsm)	7,309	7,057
Price Earnings Ratio (PER)*	21.48	20.74
Dividend Yield	3.2%	3.1%
Discount to NAV	29%	26%

* Excluding exceptional items

SHARE PRICE EVOLUTION

Rogers shares are traded on the Official Market of the Stock Exchange of Mauritius.

Share Performance
Base 100: 01 July 2016

Number of shares
252,045,300



Human Capital

Human capital relates to competencies, expertise and engagement of our People



Stakeholders

- Our workforce, prospective employees, trainees and alumni.



Stakeholder Expectations

- Career development opportunities;
- Personal and professional development (training, coaching, mentoring and cross-exposure);
- Job satisfaction and recognition;
- Market-related terms of employment and benefits;
- A safe, sound and enabling work environment.



Strategic Response

- Career development opportunities within the Group;
- Internal mobility and career progression philosophy;
- Culture-building programmes across sectors;
- Group-wide skills development initiatives;
- Competitive remuneration and employment conditions;
- Pension benefits, medical plan and insurance cover provided to all employees;
- Group Code of Ethics and personal conduct;
- Annual health & wellness events;
- Group-wide engagement surveys and action plans;
- Rogers Leaders Award and sector-specific recognition programs.



Outcome

Human Capital Demographics

4,526
Employees
13 Countries 4 Served Markets

Mean Age of our
workforce =

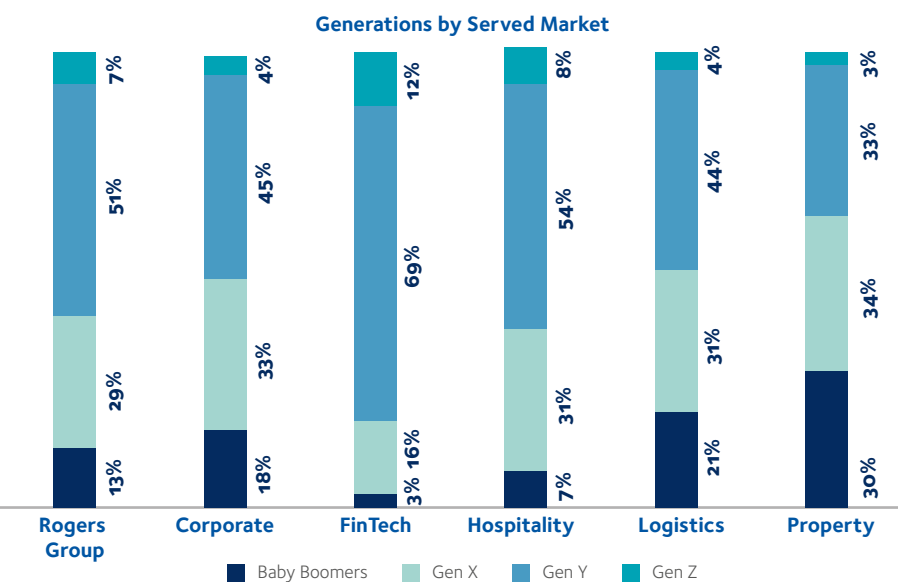
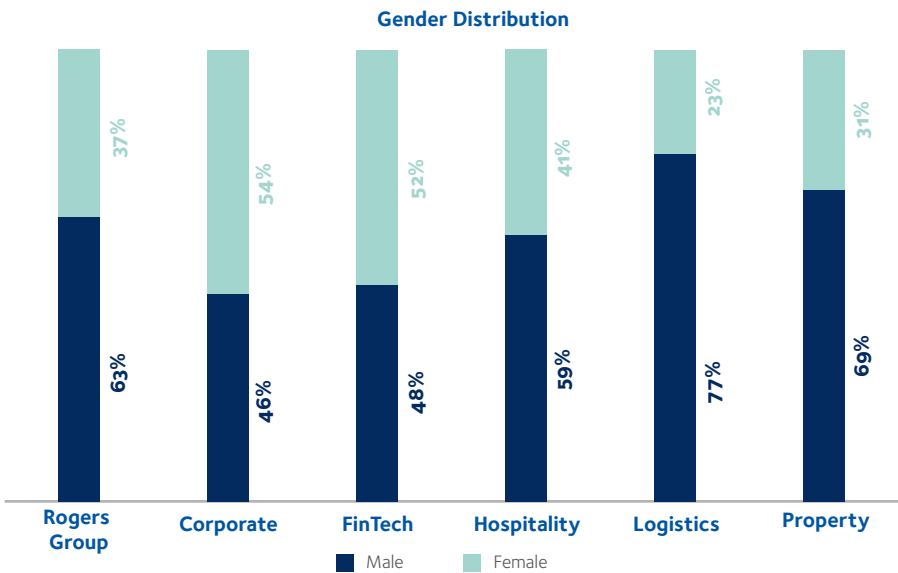
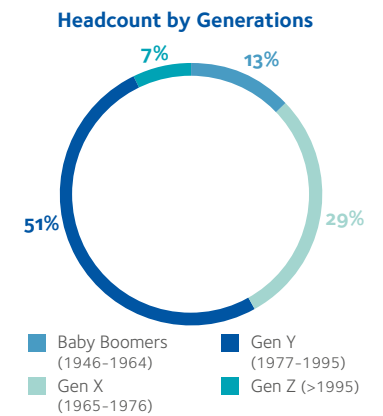
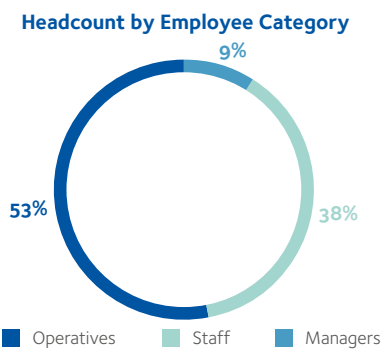
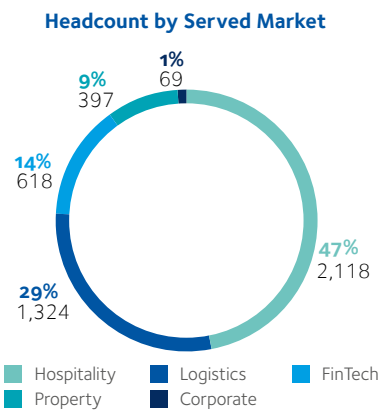
34 years
Average Tenure = 6 years

89%
of our workforce
is based in Mauritius

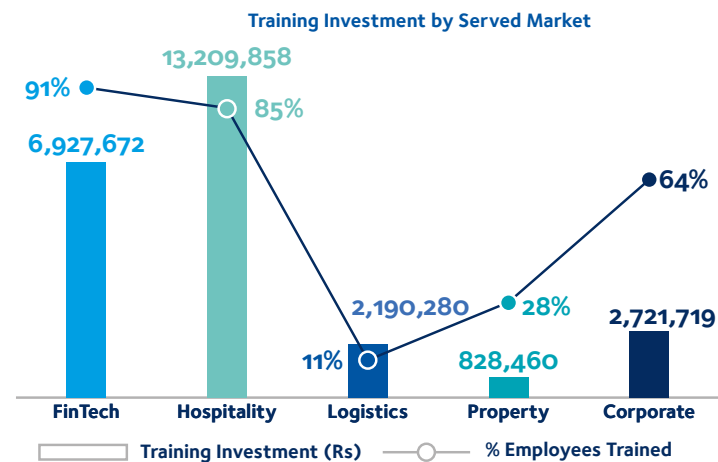
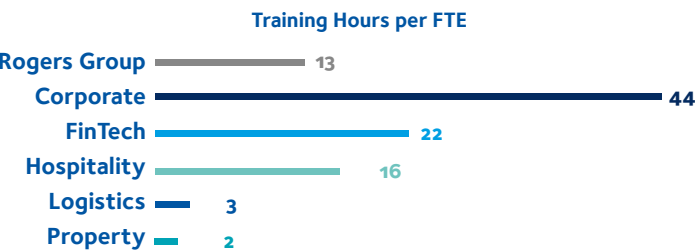
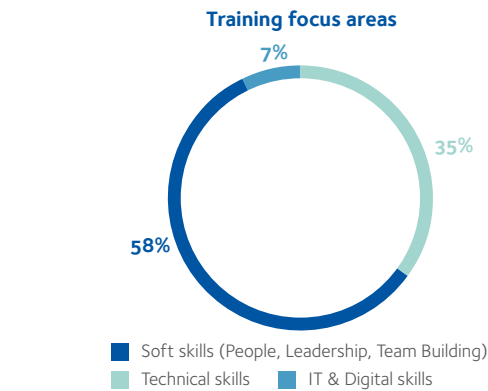
Human Capital

Outcome

Human Capital Demographics

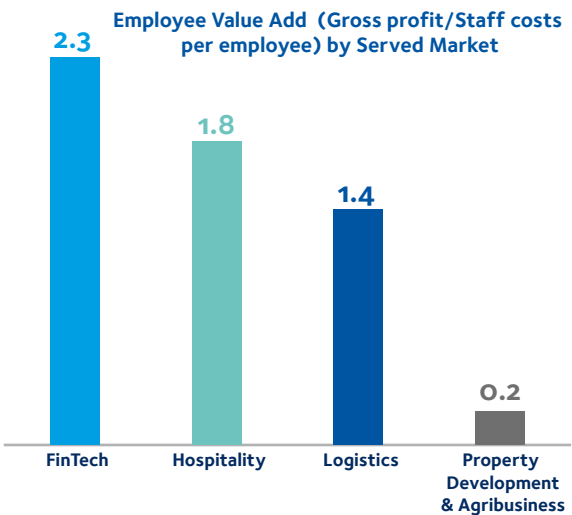


Human Capital Development & Value-Add



2,480
Employees trained
for a total of
51,800
Man Hours

MUR
26M
Invested in Training &
Development across the group
Our investments in training covered
55%
of our employee base



Social and Natural Capital



Social and Natural capital is the relationship with communities, NGOs, and other stakeholders on social and environmental matters that are relevant to the sustainability of our organisation within its ecosystem



Stakeholders

- Communities & NGOs, Government, employees, clients and service providers.



Stakeholder Expectations

- Responsible corporate citizenship, integral to the communities and the environments in which our businesses operate;
- Responsiveness to concerns and impacts on social and environmental issues;
- Access to job and supplier opportunities;
- Operations conducted in a safe and lawful manner;
- Investment in community infrastructure and development;
- Contributing responsibly and transparently to broader societal interests.



Strategic Response

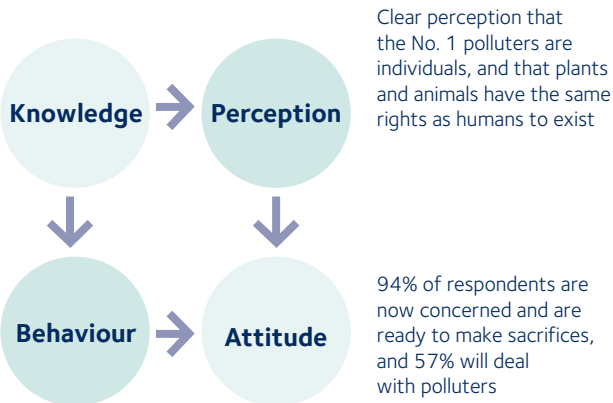
- Cooperation and networking with the authorities and private sector;
- Impact significantly one area of national concern based on wide stakeholder dialogue, e.g. the protection of coastal resources;
- Commitment to finding beneficial solutions to identified social concerns like poverty and education;
- Effective coordination of our CSR initiatives with the aim of improving the socio-economic conditions within neighbouring communities.

Our 2013-2018 Survey

Following the 2013 baseline study, we have carried out in 2016 a mid-term survey analysis of changes in Knowledge, Perception, Attitude and Behaviour of Mauritian citizens based on a Rogers Group Staff survey.

A 50% increase in overall knowledge of respondents on environmental issues

A slow 5% change in behaviour yet 12% of people are more concerned to take part in environmental campaigns, and are more careful in their use and acquisition of transport



Social and Natural Capital



Outcomes/Actions

Protection of Coastal Resources of Mauritius

Our Group maintains its commitment to reducing the impact of human activities on the coastal areas of the island through various ongoing programmes.

‘Bis Lamer’ Project with Reef Conservation (Fourth Year)

‘Bis Lamer’, the class on wheels fitted with interactive tools and laboratory equipment and promoting education about marine and environmental issues has, from July 2014 to this day, reached more than 23,288 students and adults. The Reef Conservation team has visited schools, community centres, shopping malls and beaches.

<https://www.youtube.com/watch?v=9lbrKr05Wqs>

Eco-School Project (Second Year)

Eco-School Project, which is part of a worldwide initiative, was set up with the help of Reef Conservation in Mauritius. It focuses on environmental education of schoolchildren through fun and action-oriented learning programmes. For the second consecutive year, the Rogers Group rewarded the schools that have implemented the most encouraging programmes.

https://youtu.be/8Z_qAraOMfg

Sea-Turtle Preservation Network (Second Year)

The protection of endangered sea turtles on Mauritian shores is still a major concern for NGOs, the private sector and relevant authorities, among which the Mauritius Marine Conservation Society, Reef Conservation and the Ministry of Ocean Economy, Marine Resources and Fisheries. An educational booklet was produced and released in schools. Furthermore, coastal inhabitants are being sensitized about the dangers of poaching and nesting sites have also been safeguarded.

Bel Ombre Pedia

Reef Conservation biologists and zoologists are gathering comprehensive scientific and pedagogical information about fauna and flora species around the region of Bel Ombre, which will soon be available online, based on the Wikipedia model. This project follows a major land survey undertaken on the southern coastal region. The need to understand the interaction between the fauna and flora species is essential to our ecological goals.

Meda Ayur Yoga Peetha Programme

The Mauritius Education Development Association (MEDA) teaches the community how to use local plants for health purposes derived from Ayurvedic principles and concepts. This programme relies on motivating each learner to share the knowledge they gathered with other members of the community, hence spreading the concept. Till now, 200 citizens have been trained in Goodlands and Chemin Grenier.

Tikoulou

Tikoulou is an inquisitive fictional character created by Henri Koombes for a storybook explaining how to cope with pollution and other human-induced modifications. The fourteenth comic book in the collection, ‘*La Légende de Bel Ombre*’, was specially designed by REEF Conservation’s staff to convey an essential ecological message to schoolchildren and adults alike: our different ecosystems need close and constant monitoring in order to cope with pollution. Learning becomes a fun activity as readers discover wetlands, marshes, forests and rivers.

Other initiatives carried out by our Sectors

FinTech

The FinTech Sector supported a competitive financial education programme for youth with Junior Achievement Mascareignes as well as a programme for children with learning disabilities by the Elle C Nous Association. They also funded a Golf for All project intended for underprivileged children and equipment for La Caverne Athletics Club. Furthermore, employees participated in 4 beach and river bank clean-up activities accompanied by the Belle Verte social enterprise.

Hotels

Both Heritage Resorts hotels received the Green Key label, which is a voluntary eco-labels awarded to hotels that promote sustainable tourism, for example by rationalizing water consumption. Our five-star resorts satisfied the conditions for obtaining this certification, which has to be renewed annually.

Employees further contributed to beach clean-up activities and ‘Bis Lamer’ awareness sessions. Staff and guests at Heritage Awali Golf & Spa Resort namely participated in a tree planting activity on Earth Day.

Veranda Resorts funded the project launched by the NGO and PAWS to encourage villagers in the Grand Gaube region to participate in a dog sterilization programme. Moreover, the hotel group extended assistance for another year to Jean Eon RCA School, which forms part of the ‘Zone d’Éducation Prioritaire’ (ZEP). The group also hosted a Belle Verte awareness session at Veranda Paul & Virginie Hotel & Spa as well as a Flower Day in the village of Grand Gaube.



Travel

Rogers Aviation set up a CSR/Sustainability Team that developed an action plan with a view to promote and disseminate green habits throughout its various departments. A few of the measures concerned recycling (paper, cell phones, plastic bottle caps) and energy saving (by monitoring the company’s energy consumption for air conditioning, computers, etc.). PATS and Yacht Management also set up waste management projects.

Logistics

Velogic made significant contributions to the community by helping the ‘Association communautaire de Cité Jonction’, Pailles through a youth literacy programme. They supported the fundraising for the Malagasy people who were affected by the cyclone Enawo. The company also set up three sponsoring programmes to support a family whose home was destroyed by a fire, a child with learning disabilities and a women’s kickboxing championship.

Property Development & Agribusiness

CSBO was instrumental in the setting up of a ‘Centre d’éveil’ for toddlers under the aegis of Caritas in Bel Ombre through its participation in improving the infrastructure. The company also funded Saint Jacques RCA, a primary school in Chamarel, and further engaged in a support programme for teenagers from the village.

Intellectual Capital



Intellectual capital is the intangible value of the organisation such as culture, brand image, systems and expertise



Stakeholders

- Clients, suppliers, principals, authorities, financial institutions, media and investors.



Stakeholder Expectations

- Strong brand image and reputation;
- Representation of internationally recognized brands;
- Customer satisfaction through interacting processes;
- Innovating capabilities;
- Adherence to intellectual property rights such as Patents and Trade Marks;
- Staff competencies and skills.



Strategic Response

- Focus on communication with coordination at all levels;
- Establishment of a process to obtain useful information on brand image and customer loyalty;
- Customer Relationship Management in place;
- Investment in skills, processes and technology;
- Strategy for Culture, Brand Positioning and Systems.



Outcome

Culture

'A unique culture which blends Leadership, Agility and Dynamism'

- Culture is the way we act collectively. Culture is intangible and yet it is what defines us as an exceptional organisation;
- Being part of Rogers is about being part of a unique tribe and embracing a culture which blends a diversity of agile and competent people;
- Our culture which we term as 'The Rogers Way' is driven by our core purpose, our values and the Art of Being and Doing.

Brands

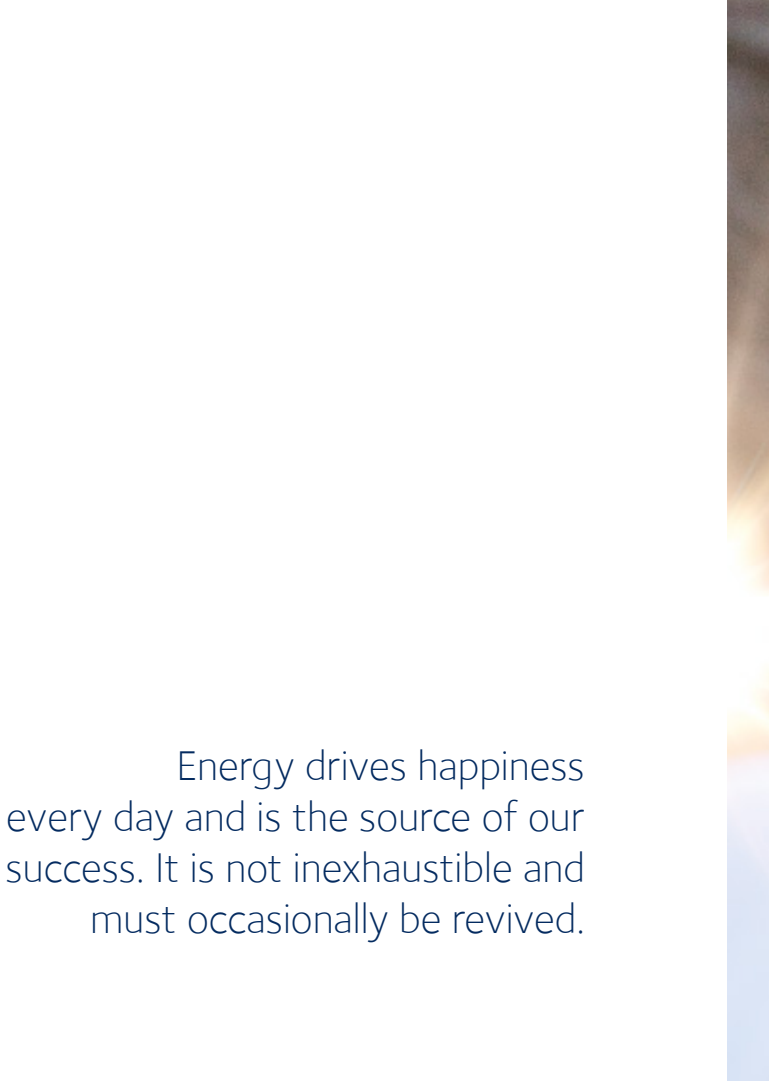
'We believe that Rogers remains a strong investment brand'

- Enhanced brand image through the "Energy Drives Everything" campaign;
- Focus on long-term partners;
- Represent some 52 local and international brands;
- Strong sub-brands that are closer to the market.

Systems

'As a listed Company we place much emphasis on robust systems to support our businesses'

- Adopt a decentralized structure with delegation of authorities to the CEOs and Management team of our sectors;
- Our Rogers Management Model focuses on the performance and development of our People;
- Structured Systems and Processes which drives operational excellence across our sectors.



Energy drives happiness every day and is the source of our success. It is not inexhaustible and must occasionally be revived.



Energy drives happiness.

Statement of Compliance

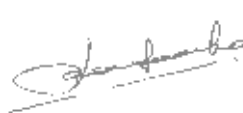
(Section 75(3) of the Financial Reporting Act)

Name of PIE: **ROGERS AND COMPANY LIMITED**

Reporting Period: **01 July 2016 – 30 June 2017**

We, the directors of Rogers and Company Limited, confirm that to the best of our knowledge, the PIE has not complied with Section 2.10 of the *Report on Corporate Governance for Mauritius*. *Reasons* for non-compliance are set out in Paragraphs 1 and 3.3 of the Corporate Governance Report of the PIE.

SIGNED BY:



Jean-Pierre Montocchio
Chairman



Philippe Espitalier-Noël
Director & CEO

14 September 2017

Corporate Governance Report

1. COMPLIANCE STATEMENT

For the year under review, Rogers and Company Limited (“Rogers” or the “Company”) has complied with the provisions of the Code of Corporate Governance for Mauritius (the “Code”) save that no board or director evaluation was conducted. The Board had previously resolved that such exercise be carried out once every two years. The last board evaluation was conducted in June 2016.

2. ABOUT THE COMPANY

2.1 Shareholders

2.1.1 Holding structure and common directors

As at 30 June 2017, the substantial shareholders of Rogers were Rogers Consolidated Shareholding Limited (“RCSL”), ENL Land Limited (“ENLL”) and the National Pensions Fund, which respectively held 53.00%, 6.73%, and 5.50% of the issued share capital of the Company. RCSL is wholly owned by ENLL, which is itself a subsidiary of ENL Ltd.

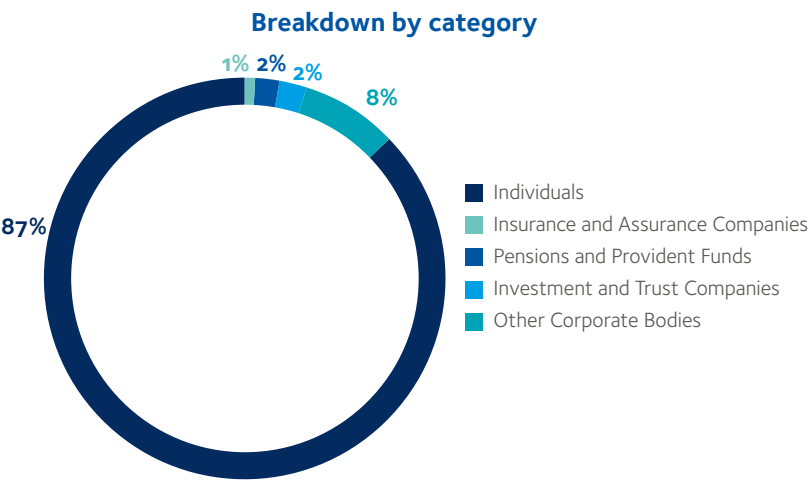
The ultimate holding entity of ENL Ltd is Société Caredas, a “société civile” registered in Mauritius.

The common directors at each level are set out in Table 1.

2.1.2 Share Ownership

As at 30 June 2017, the Company had 2,607 shareholders.

A breakdown of the categories of shareholders and the share ownership as at 30 June 2017 are set out below:



Number of shares	Number of shareholders	Number of shares owned	% of total issued shares
1 - 5000	1,500	2,126,223	0.84
5,001 - 10,000	302	2,325,427	0.92
10,001 - 100,000	643	17,745,627	7.04
100,001 - 500,000	81	16,648,448	6.61
500,001 - 1000,000	17	10,887,651	4.32
1,000,001 - 4,000,000	14	26,391,804	10.47
4,000,001 - 6,000,000	1	4,097,620	1.63
6,000,001 - 10,000,000	1	7,423,650	2.95
Over 10,000,000	3	164,398,850	65.23
TOTAL	2,562*	252,045,300	100.00

* Note: The above number of shareholders is indicative, due to consolidation of multi - portfolios for reporting purposes. The total number of active shareholders as at 30 June 2017 was 2,607.

2.1.3 Constitution

The salient features of the Company’s constitution are highlighted below:

Ownership restrictions

- No shareholder, other than those existing before its adoption, shall hold more than 10% of the issued share capital of the Company without the prior authorisation of the Board.

Number of directors

- The number of directors shall not be less than twelve (12) or more than fifteen (15) and the directors shall be appointed by the Company in General Meeting.
- The Company may, from time to time, by ordinary resolution increase or reduce the number of directors in office and may alter their qualifications, if any.

No share qualification is required for a directorship

- It shall not be necessary for a director to hold any share in the Company for the purpose of qualifying him for appointment as a director of the Company.

Power to increase capital

- The Company may from time to time by ordinary resolution increase the share capital by such sum to be divided into shares of such amount as the Resolution shall prescribe.

Rights to Dividends and Apportionment

- All dividends shall be apportioned and paid proportionately to the amount paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

Unclaimed Dividends

- All dividends unclaimed for a period of five years after having been declared shall be forfeited and shall revert to the Company.

How far new shares to rank with shares in original capital

- Except so far as otherwise provided by the conditions of issue, or by the Company’s constitution, any capital raised by the creation of new shares shall be considered part of the original capital, and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender and otherwise.

Proceedings at General Meetings - Special Business

- All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all business that is transacted at an Annual General Meeting, with the exception of the consideration of the accounts, balance sheets and the reports of the directors and Auditors, the election of directors in place of those retiring and the appointment of, and the fixing of the remuneration of the Auditors.

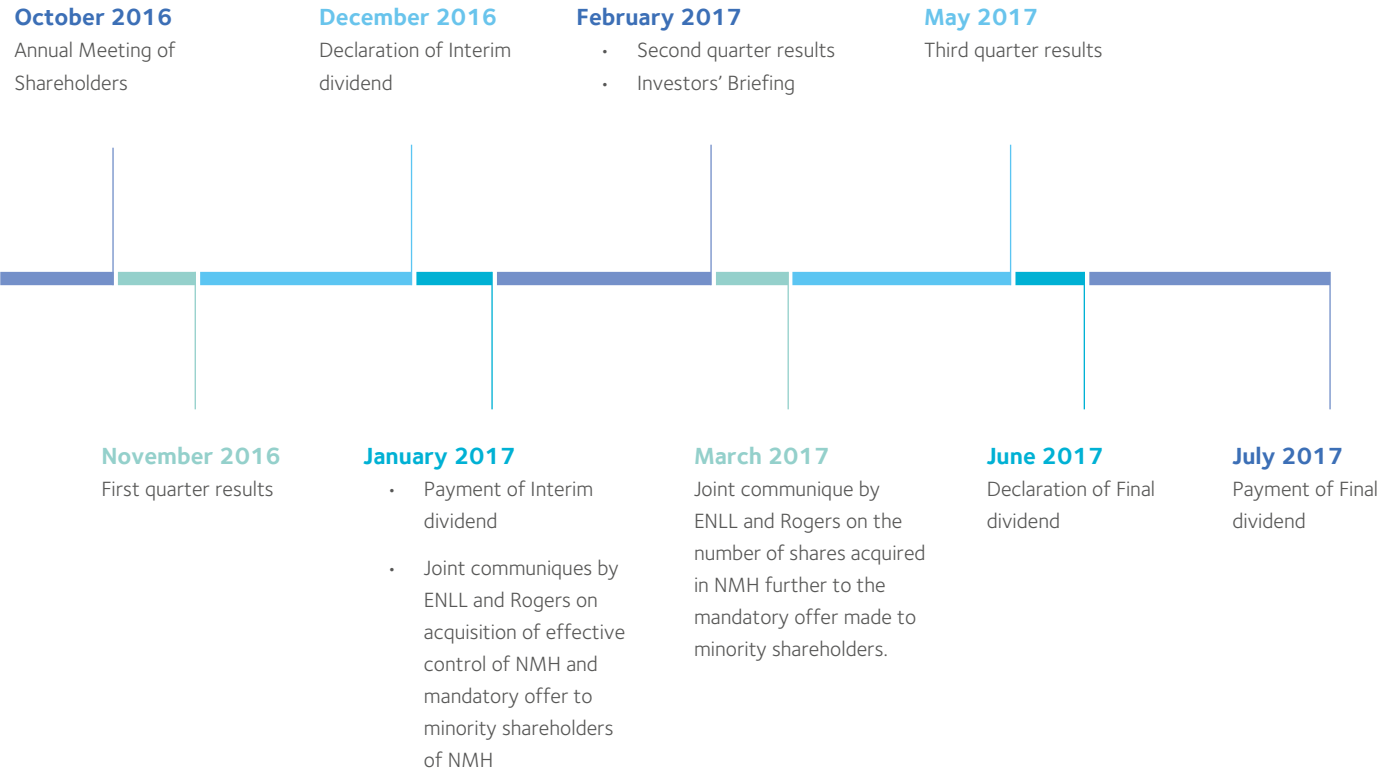
Casting Vote

- In the case of an equality of votes whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands has taken place or at which the poll is demanded shall be entitled to a casting vote.

2.1.4 Shareholder communication and events

Rogers communicates with its shareholders through its Annual Report, Investors’ News, published unaudited quarterly results, dividend declarations and yearly Annual Meeting of Shareholders. The Executive Team of Rogers meets the investor community twice yearly to brief them on the Company’s strategy, financial performance, investments and disinvestments.

For the year under review, the key events and shareholder communication of Rogers are set out below:



2.1.5 Dividend Policy

Rogers has no formal dividend policy. Payment of dividend is subject to the profitability of Rogers, its foreseeable investment, capital expenditure and working capital requirements.

For the year under review, the Company declared an interim dividend of Rs 0.32 per share and a final dividend of Rs 0.60 per share (as compared to Rs 0.32 and Rs 0.56 respectively for the previous year).

2.1.6 Share price information

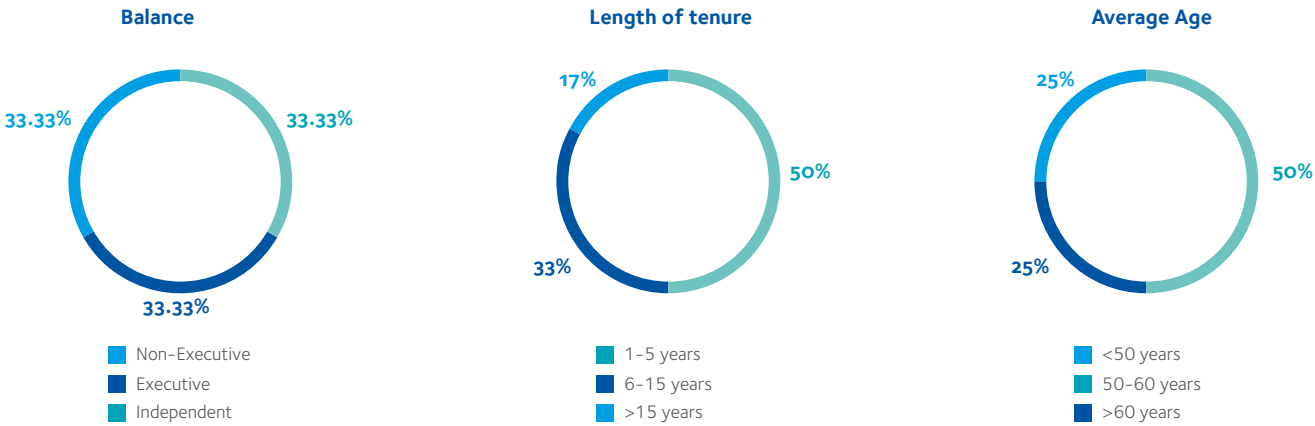
For more information on the share price of Rogers, please refer to our Annual Report on www.rogers.mu

2.2 The board of directors

2.2.1 Composition of the Board

Rogers is headed by a unitary board comprising twelve directors, under the chairmanship of Mr Jean-Pierre Montocchio, who has no executive responsibilities.

The board composition is as follows:



The Corporate Governance Committee, acting in its capacity as Nomination Committee, reviewed the composition of the Board in April 2017 and July 2017 respectively.

The Board has a broad range of skills, expertise and experience ranging from accounting, banking and commercial to tourism, logistics, financial and legal matters.

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

The Chief Executive is contractually responsible for:

- a) developing and recommending the long-term vision and strategy of the Group;
- b) generating shareholder value;
- c) maintaining positive, reciprocal relations with relevant stakeholders;

- d) creating the appropriate human resources framework to identify the right resources, train them, make them excel in performance and maintain a positive team spirit;
- e) formulating and monitoring budgets and financials of the Group; and
- f) establishing the optimum internal control and Risk Management framework to safeguard the assets of the Group.

2.2.2 Role of the Board

The Board is accountable and responsible for the performance and affairs of the Group. Its role includes the determination, review and monitoring of the Group’s strategic plan, monitoring of the Group’s financial performance against budget, approval of key acquisitions/disposals and capital expenditure. The Board is also responsible for the Group’s Risk Management and internal control processes.

2.2.3 Board deliberations

(a) Meeting Schedule

The Board meets at least six times yearly and additional meetings are convened as and when required. 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 Secretaries, agree the meeting agendas to ensure adequate coverage of key issues during the year.

3. GOVERNANCE STRUCTURE

The Board has set up a Corporate Governance Committee (‘CGC’) and a Risk Management and Audit Committee (‘RMAC’) to assist in the discharge of its duties.

The functions and responsibilities of each committee are outlined in their respective 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. These are available on the Rogers’ website (www.rogers.mu).

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

With a view to improving 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 Ascencia Limited due to the nature, size and specificity of its business; and
- c) the governance, risk and audit issues relating to the business activities of the subsidiaries of Rogers operating in the Fintech, Hospitality, Logistics, Property (excluding Ascencia Limited) sectors are overseen by the CGC and the RMAC.

A summary of the key mandate of these committees as well as their composition is set out below:

Board of directors		
	Corporate Governance Committee (‘CGC’)	Risk Management and Audit Committee (‘RMAC’)
Mandate	<p>Also acts as Remuneration and Nomination Committees</p> <ul style="list-style-type: none">• Makes recommendations to the Board on all corporate governance provisions to be adopted so that the Board remains effective and complies with prevailing corporate governance principles and practices.• Ensures that the disclosure requirements with regard to corporate governance, whether in the Annual Report or other reports on an ongoing basis, are in accordance with the principles of the applicable Code.• Makes recommendations to the Board on all new Board appointments.• Reviews through a formal process the balance and effectiveness of the Board• Develops 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.• Makes recommendations to the Board in respect of remuneration of non-executive directors.	<p>Ensures that:</p> <ul style="list-style-type: none">• All risks are reviewed and managed to an acceptable level in the business• All internal accounting, administrative and risk control procedures are designed to provide ongoing assurance that assets are safeguarded• Transactions are executed and recorded in accordance with the Company’s policy <p>Reviews:</p> <ul style="list-style-type: none">• Important accounting issues• Changes in the 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.
Composition as per Terms of Reference	<p>The Committee shall be composed of 4 non-executive members of the Board and the CEO.</p> <p>As far as possible: (a) the Committee shall be substantially composed of independent non-executive directors; and (b) the aspiration is that the chairperson of the Committee should be an independent non-executive director.</p>	<p>The members shall consist of not less than three nor more than five Directors appointed by the Board, who shall be non-executive Directors and preferably independent non- executive Directors.</p> <p>The Chairperson of the Board shall not be the Chairperson of the RMAC.</p>

3.1 Board Charter

The Board is of the view that the responsibilities of the directors are already set out in the Company’s constitution, the Companies Act 2001, the respective terms of reference of the CGC and RMAC as well as the Code. Hence, adopting a board charter is deemed a redundant administrative layer. The Board has consequently resolved not to adopt a charter.

3.2 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 Secretaries and an induction programme is organised to introduce the newly elected non-executive directors to the Group’s businesses and Senior Executives.

All directors have access to the Company Secretaries and to the Senior Executives 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.

3.3 Board Performance Review

For the year under review, no board or director evaluation was conducted as the Board had previously resolved that such exercise be carried out once every two years. The last board evaluation was conducted in June 2016.

3.4 Indemnities and Insurance

A directors’ and officers’ liability insurance policy has been subscribed to and renewed by Rogers. The policy provides cover for the risks arising out of the acts or omissions of the Directors and Officers of Rogers Group. The cover does not provide insurance against fraudulent, malicious or wilful acts or omissions.

3.5 Share Option Scheme

There is no employee share option scheme at the level of the Company.

3.6 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.

4. DIRECTORS’ INTERESTS AND REMUNERATION PHILOSOPHY

4.1 Interests of Directors

All directors, including the Chairman, declare their direct and indirect interests in the shares of Rogers. They moreover follow the Model Code for Securities Transactions as detailed in Appendix 6 of the Stock Exchange of Mauritius Listing Rules whenever they deal in the shares of the Company.

There were no dealings in the shares of the Company by the directors for the year under review.

4.2 Non-Executive 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 out by an independent consultant in 2004. Such fees have since been reviewed in 2007 and anew in December 2012.

The fees are calculated in the following manner: (a) a basic monthly fee; and (b) an attendance fee. Committee members are paid a monthly fee only. The Chairman of the Board and the chairmen of the board committees are paid a higher monthly fee.

4.3 Executive Directors’ Remuneration

The executive directors are not remunerated for serving on the Board and its committees. Their remuneration package as employees of the Company, including their performance bonus, which are aligned to market rates, are disclosed in the table below.

The performance bonuses which are payable are subject to the performance of the Company as well as the job holder and could go up to 50% of the annual basic salary.

5. INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT

The internal control systems of Rogers, the activities of the Risk and Audit Department and the Risk Management process of the Group are explained from pages 57 to 71.

6. Policies

(a) Code of Ethics

Rogers has adopted a Code of Ethics which spells out the general obligations and business etiquette employees are encouraged to abide by. No breach of ethics was reported for the year under review.

(b) Equal Opportunities

In line with section 9 of the Equal Opportunities Act 2008 and the Guidelines issued by the Equal Opportunities Commission pursuant to Section 27(3)(f) of the Act, Rogers has adopted an Equal Opportunities Policy with the aim of:

- creating an environment that promotes equal opportunities for its employees and potential employees;
- minimising the risks of discrimination towards employees and potential employees; and
- promoting selection, recruitment, employment, promotion, learning and development on the basis of merit.

No complaints were recorded on the above matters for the year under review.

(c) Malpractice Reporting

A Malpractice Reporting Policy setting out the process whereby information relating to questionable practices within the Company is disclosed in good faith by employees was adopted in 2010.

No malpractice was reported for the year under review.

(d) Data Protection

Rogers Group adopted a Data Protection Policy in 2010 setting out the obligations of data controllers and data processors within the Group in handling personal data as well as compliance with data protection procedures under the Data Protection Act 2004.



Corporate Governance Report

No breach of data protection was recorded for the year under review.

(e) Health and Safety

The ANSI/AIHA Z10–2012 safety management system (SMS) is being used currently across the Group. As there are demands for more internationally recognised SMS from partners abroad, the Company is evaluating the impact and relevancy of switching to ISO 450000 standard.

6.4 Related Party Transactions

For details on related party transactions, please refer to the Annual Report on www.rogers.mu

6.5 Management Agreements

There are no management agreements between third parties (where such third party is a director of Rogers, or a Company owned or controlled by a director of Rogers) and Rogers.

6.6 Donations

For political and charitable donations, please refer to the Annual Report on www.rogers.mu



Aruna Radhakeesoon
Company Secretary
14 September 2017



Energy drives sustainability.



The team from Heritage Resorts during a beach clean-up at Bel Ombre, showing that it is our duty to contribute to the sustainable development of our economy.

We regularly conduct regional and national actions to raise awareness of the importance of protecting our coasts and lagoon.



Integrated Risk Management



“The **foundation** for an **integrated risk management framework** has been laid. Its **implementation** is in progress and its completion remains a **priority**. Rogers continues to be more focused and **proactive** in anticipating changes and mitigating risks, hence reinforcing its **strong risk awareness** culture.”

Vivian Masson
Acting Chairman
Risk Management and Audit Committee



Independent Chairman’s Statement Risk Management & Audit Committee (RMAC)

Approach

At Rogers, Energy is focused on the pursuit of defined strategic objectives with the aim of accelerating sustainable shareholder value creation. During this financial year, the Group has continued to evolve its approach towards more effective governance and risk management. The foundation for an integrated risk management framework has been laid. Its implementation is in progress and its completion remains a priority. Rogers continues to be more focused and proactive in anticipating changes and mitigating risks, hence reinforcing its strong risk awareness culture. Emphasis is being placed on embedding risk management, where risks are identified at an early stage and integrated into key decision-making processes in line with the strategic objectives.

Employees have been empowered, motivated and encouraged to take initiatives and be proactive, thus enhancing their capability to anticipate risks. Proactive risk management enables Rogers’ talented teams to act in a coordinated manner and to grasp opportunities, which is the backbone of the integrated risk management framework.

The RMAC believes that risk awareness and risk management are fundamental to all actions given the diversified activities in different geographical locations and legal frameworks within which the Group operates.

Focus of the RMAC

The RMAC is governed by a charter which sets out the objectives and terms of reference. The Committee has continued to play an important oversight role in the risk management activities of the Group. During

the year, the RMAC has focused on the evaluation of the effectiveness of internal control and risk management system and reviewed the financial reporting, audit issues and health and safety environment.

There was no material shortcoming in the design and effectiveness of internal controls, governance and risk management reported during the year. Moreover, no other significant events occurred which prevented the RMAC from discharging its responsibilities according to its mandate.

The new Code of Corporate Governance has been issued in January 2017 and will be implemented across the Group in conjunction with the update of the RMAC charter where appropriate.

Aspecial thank you to the RMAC members, the Group’s Chief Executive Officer, the Management team, the External Auditors, and the Risk & Audit team for their constant support and commitment throughout the year.

Vivian Masson
Acting Chairman
Risk Management and Audit Committee

Integrated Risk Management



Our Integrated Risk Management Framework

The Board of Rogers and sectorial Boards are responsible for ensuring that risks are managed effectively within the Group. The RMAC is mandated by the Board for the review of the effectiveness of the risk management process.

Our Framework

We have set our main objectives and defined our aims which would guide us through our journey of implementing a fully integrated approach in risk management within the Group.

The integrated risk management process is clearly defined and a well established structure is in place whereby assurance is obtained through our four lines of defence.

The governance of risks involves achieving an appropriate balance between realising strategic opportunities for value creation while minimising adverse impacts. As indicated in our value creation map on page 19 to 20, effective risk management is critical for the achievement of strategic objectives.

Significant inherent risks that need to be managed are identified by Chief Executive Officers (CEOs), Chief Finance Officers (CFOs) and Management team at sectorial level.

Workshops are carried out annually in each sector to review and assess the risks based on the probability of occurrence and their likely impact. Current inherent and residual risks are determined and the risk appetite set is taken into consideration based on options available to manage or mitigate the risks. Options available are discussed, evaluated and consequently, Business Risk Registers (BRRs) are updated.

Three year strategic plans are prepared and reviewed yearly by CEOs and Management at sector level. Risks associated with strategies are incorporated in the plans which are presented for approval by the sectorial Boards and by the Rogers Executive Team (RET). The RET committee includes sectorial CEOs and the Group CEO.

Possible events that may impact significantly on earnings, liquidity, reputation or strategies are reported to Rogers Executive team (RET), RMAC and ultimately to the Board.



Risk Management and Audit Committee



TIME SPENT



Integrated Risk Management



Lines of Defence

Our four lines of defence form part of our integrated risk management framework (page 59) and provide comfort and assurance on risk management. People, process, technology, Management and oversight (committees) focus on internal controls, whilst assurance provided by internal audit and external independent parties focuses on other specific areas.

People, Process and Technology

Processes, systems and controls in place are designed to manage risks and exploit opportunities. These controls are operated by employees involved in day to day activities.

Management & Oversight

Management teams of each sector within the Group meet on a regular basis. They are responsible for the assessment and management of risk including the identification, escalation of new/emerging events, the monitoring and reporting on risk and control effectiveness.

New/emerging risks pertaining to specific projects or new strategies are reported to the sectorial Boards every quarter. The Group’s Chief Finance Executive (CFE) reports significant new/emerging risks to the RMAC. This approach is in line with the principles of the Corporate Governance Code and involves reporting to the Board. This allows the latter to:

- determine the nature and extent of the principal risks it is willing to take in achieving its strategic objectives;
- oversee the management of those risks and provide challenge to Executive Management where appropriate; and
- express an informed opinion on the long-term viability of the sectors.

Internal Audit

Internal audit is an independent in-house function with the Head of Internal Audit & Risk Management reporting to the Chairman of the RMAC and administratively to the Group CEO. Our Risk & Audit department is made up of dynamic professionals who are affiliated to and are members of professional bodies (ICAEW, ACCA and IIA). The internal audit plan is prepared using a risk-based approach. Risk based audits carried out during the year were in line with the established internal audit methodology. The plan is set for three years, reviewed on an annual basis by the RMAC, to incorporate the changing risk landscape. Jointly controlled entities and associates are excluded from the internal audit plan.

Internal audit findings are reported to the RMAC and Board of the relevant sectors.

Progress on implementation of recommendations are also reported on a quarterly basis to the individual sector Boards and RMAC to ensure continuous improvement within the Group and at the same time give assurance on the effectiveness of internal control systems.

During the year there were no major limitations or restrictions in the audit scope and access to records, Management and employees.

External Assurance

External assurance is obtained from the appointment of independent experts and their opinions provide additional assurance on:

- property valuation for correct fair value of investment properties;
- valuation of retirement benefit obligations;
- financial statements; and
- Group’s risk management and internal control environment.

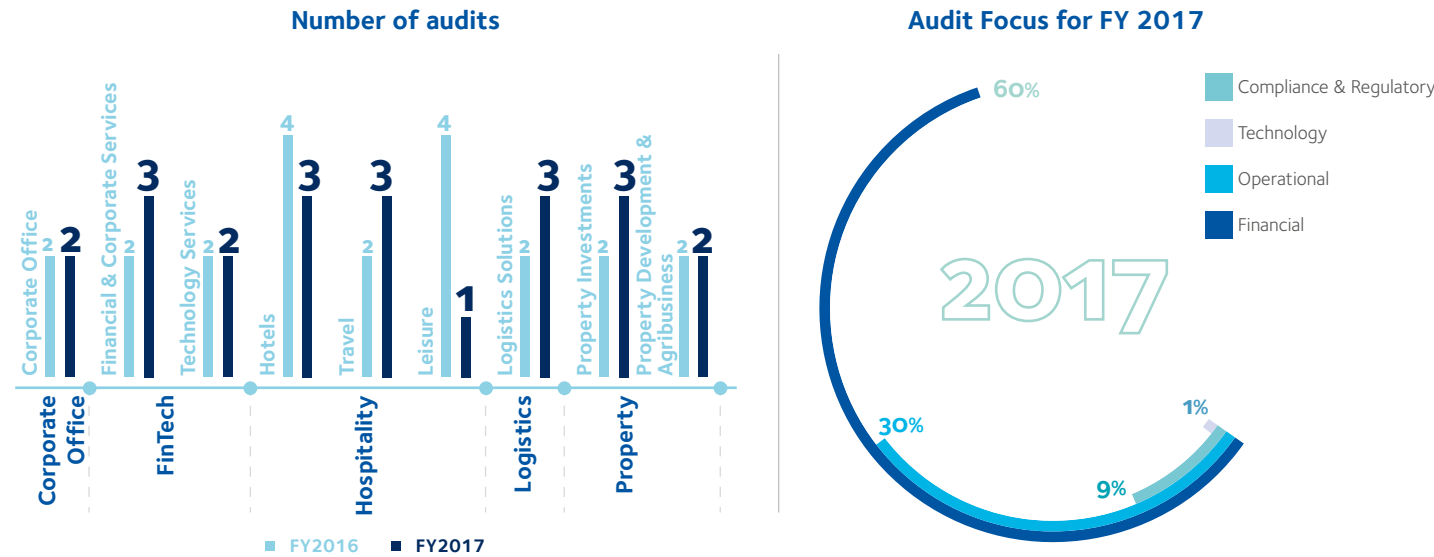



Progress and Achievements

Internal Audit

The number of internal audits performed is in line with the level of activities and acquisition of new businesses by the Group. During the year, the focus was on emerging risks and high-risk areas. The Risk & Audit department continuously aims at providing quality audits and recommendations toward more efficiency and productivity. This value-added exercise helps the Group as a whole to achieve its strategic business objectives. To maintain the level of quality and standard of our audits, the team has been reinforced through recruitment. The team has also attended several trainings including ‘Data Analytics, Ethics and Fraud’, ‘Money Laundering detection skills’ and ‘Cyber Security Seminar’.

Our Key Performance Indicators (KPIs) are as follows:



FOUNDATIONAL ATTRIBUTES		PERFORMANCE INDICATORS	FY 2017	FY 2016	FY 2015
COST EFFECTIVENESS		Number of audits performed	> 22	22	18
		"Unsatisfactory" or "Major improvement needed" audit opinion	> 12%	5%	20%
Qualified staff		> 50%	43%	38%	
Number of staff		> 10	7	8	
PROCESS & TECHNOLOGY		Number of courses/training attended	> 20	23	16

Integrated Risk Management



Progress and Achievements (cont’d)

Risk Management

Achievements during the year in respect of top 5 residual risks identified last year were as follows:

1. SKILLS ATTRACTION, PERFORMANCE AND RETENTION RISK

Objective:
To keep a low key staff turnover ratio

Actions taken:

- Recruitment needs constantly being reviewed.
- Leaders Awards Programme has been launched whereby senior leaders and team who exceeded performance will be rewarded.
- Hospitality Sector organised job fairs.
- In-house trainings provided on a regular basis.
- Conducted engagement survey to measure the pulse of our employees and obtain valuable feedback about their satisfaction with various components of their work and working environment.

Key Staff Turnover Ratio

<div>13% Corporate Office</div> <div>9% LOGISTICS</div> <div>12% PROPERTY</div>	<div>HOSPITALITY</div> <div>6% Hotels</div> <div>6% Travel</div>	<div>FINTECH</div> <div>20% Financial Services</div> <div>5% Technology Services</div>
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Progress and Achievements (cont’d)

2. MARKET INTELLIGENCE RISK

Objective:
To maintain our competitive advantage

Actions taken:

- Benchmarking is a continuous exercise which is carried out throughout sectors, for example, incentives and promotions were offered during the year.
- SWOT analysis performed and incorporated in the strategic plan.

3. INNOVATION RISK

Objective:
To improve on what we do well while introducing new ways of doing things

Actions taken:

FinTech

- Rogers Capital Fund Services Ltd has been awarded the ISAE (Type I) certification and a new representative office opened in Johannesburg.

Hospitality

- Opening of new BlueSky lounge at Bagatelle Mall of Mauritius.
- Acquisition of Hotel Tamarin.
- Renovation of Veranda Paul et Virginie.
- Renovation of Heritage Le Telfair Golf & Spa Resort and Le Chateau de Bel Ombre started.

Property

- Property Development: Renovation of Le Chamarel Restaurant, offering new Mauritian cuisine in a modern and comfortable set up.
- Property Investments: Renovation completed for Phoenix Mall by Ascencia and construction of new commercial centre So’Flo by Ascencia.

Logistics

- Transport of exceptionally sized and heavy goods and strategic partnership agreement with worldwide brand United Parcel Services (UPS).

Corporate office

- Implementation of a Business Intelligence software is under study.

Integrated Risk Management



Progress and Achievements (cont’d)

4. LIQUIDITY RISK				
Objective: <i>To effectively manage our cash flow</i>		Actions taken: <ul style="list-style-type: none">• Monthly, quarterly, yearly, three-year and five-year cash flow forecasts are prepared by CFOs and Finance Managers and reviewed by CEOs, Group CFE and Group CEO.• Sufficient cash and marketable securities are maintained.• Gearing of the Group and current ratio are being monitored on a regular basis.		
Current Ratio				
<div>0.85*</div> <div>Group</div>				
<div>0.2</div> <div>CORPORATE OFFICE</div> <div>1.4</div> <div>LOGISTICS</div>	<div>PROPERTY</div> <div>1.0</div> <div>Property Investments</div> <div>0.7</div> <div>Property Development & Agribusiness</div>	<div>HOSPITALITY</div> <div>1.0</div> <div>Hotels</div> <div>1.2</div> <div>Travel</div>	<div>FINTECH</div> <div>0.9</div> <div>Financial Services</div> <div>1.3</div> <div>Technology</div>	

5. LEGAL & COMPLIANCE RISK	
Objective: <i>To keep abreast of new and existing laws and regulations</i>	Actions taken: <ul style="list-style-type: none">Collaborated with the sectors on several projects to assess the legal and compliance aspect.Worked closely with regulators for development of the new Code of Corporate Governance and staff in compliance department were subsequently updated. Staff of other sectors attended seminars on the new code.Compliance reporting performed on a quarterly basis for Financial Services Sector.

*: Includes assets and liabilities classified as held for sale.



Our inherent risks

Each sector of the Group maintains its own Business Risk Register (BRR) which are reviewed and updated regularly. A review of strategic risks was undertaken whereby top risks were identified and reported. The Group’s significant inherent risks were reassessed during the year and are as follows:

STRATEGIC RISK	FINANCIAL RISK	OPERATIONAL RISK	COMPLIANCE RISK
<ul style="list-style-type: none">Innovation and DevelopmentMarket IntelligenceProjects, strategic partnerships and acquisitions (domestic and international)Stakeholder engagement	<ul style="list-style-type: none">Financial SustainabilityForeign ExchangeFund RaisingInterest RateLiquidity	<ul style="list-style-type: none">Business ContinuityContractingHealth and SafetyInformation TechnologySkills attraction, performance and retentionTheft, fraud and corruption	<ul style="list-style-type: none">Legal and regulatory compliance

New and emerging risks

Cyber threats

Technological advances give rise to greater risks, one of them being cyber attacks which has been on the rise this year. At Rogers, we believe that being proactive and providing training to our people is critical to counter cyber threats. In that context, IT Managers from Corporate Office, Rogers Capital Technology Services, Hotels as well as Managers from Risk & Audit department attended a Cyber Security Awareness Seminar and subsequently the Group IT policy is being reviewed to incorporate additional measures to reinforce cyber security.

Uncertainties impacting on economic growth

Uncertainties in global financial markets, including the Brexit, policy changes in the United States of America and change in Government in some countries in Europe may impact on economic growth and various sectors such as Hotels, Travel and Financial Services Sector. Potential changes in the Deemed Foreign Tax Credit system may lead to loss of clients and investors in the Financial Services Sector.

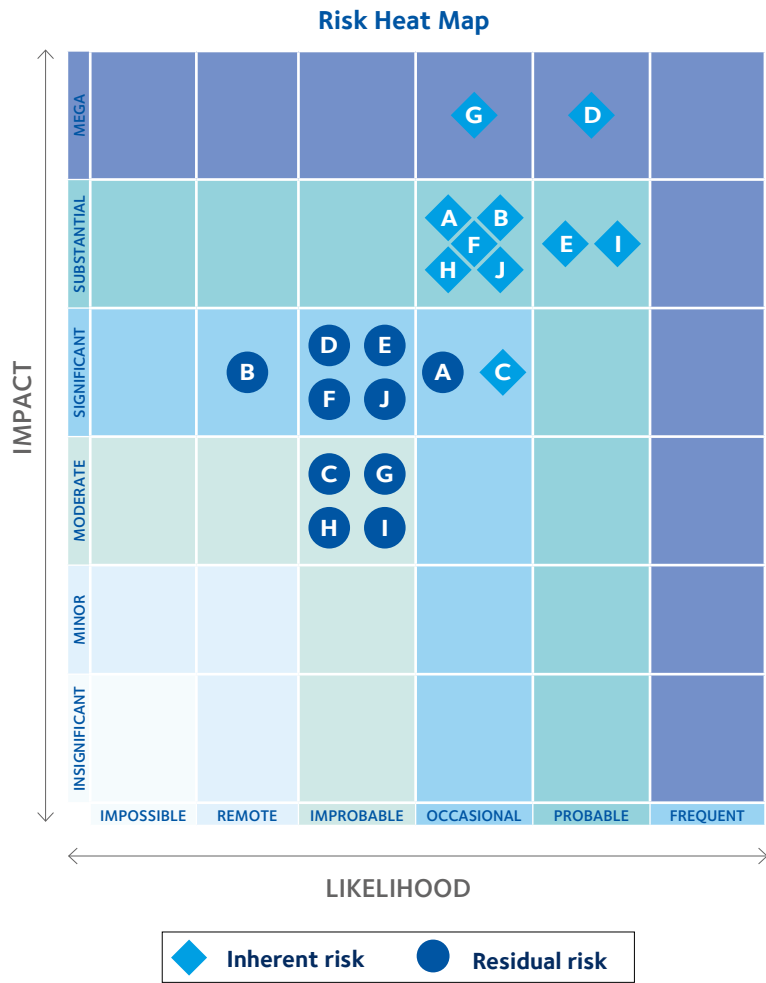
Integrated Risk Management



Risks, opportunities and strategic response

The top ten inherent risks and opportunities were assessed in workshops by Management of each sector. Opportunities, responses and capital impacted were identified.

The Risk Heat Map provides an overview of the top 10 Inherent risks and their respective residual risks when existing mitigating controls are applied.



TOP RISKS	DESCRIPTION & RISK CONTEXT	OPPORTUNITIES	RESPONSE TO RISKS	STRATEGIES IMPACTED*	SERVED MARKET CONCERNED	CAPITAL IMPACTED*
Strategic risks						
A Innovation and Development	<ul style="list-style-type: none">Inability to diversify and add new services to the existing businessLimited resourcesBeing risk averseInability to sustain competitive advantage	Improve on what we do well while introducing new ways of doing things. Encourage leaders of sectors to innovate and take risks. Provide business solutions that exceed expectations and create a unique selling proposition	<ul style="list-style-type: none">Regular update and alignment of strategic plans with market trends.Regular client surveys and investment in new systems / technologies as well as the implementation of a quality management system.		FinTech Property Corporate Office	
B Projects, strategic partnerships and acquisitions	<ul style="list-style-type: none">Inefficient or ineffective allianceLack of information on legal & regulatory framework and/or political situation in targeted countriesLimited network of partners	Pursue our strategy to grow and expand businesses locally and regionally through strategic alliances and acquisitions	<ul style="list-style-type: none">Proper due diligence checks to be carried out to review the financial, technical, risk and legal aspects of each project and careful selection of strategic partners.To draw up proper contractual agreements between all parties involved.		The Group	
C Stakeholder engagement	<ul style="list-style-type: none">Quality of service not up to standardLack of clarity in communicationLack of common vision and standardsConflict with stakeholders	Ensure existence of effective lines of communication with our stakeholders and maintain a constructive relationship with them	<ul style="list-style-type: none">Ensure continuous upgrade in the quality of services.Continue to hold feedback meeting with investors and employees.Continue to promote the brand name of the Group and of other sectors and continue to communicate with stakeholders.		The Group	
Financial risks						
D Financial Sustainability	<ul style="list-style-type: none">Political issuesLack of resourcesLack of entrepreneurshipMarket volatility	Keep abreast of new technologies and market trends to integrate them in the existing processes and services delivered	<ul style="list-style-type: none">Continuous monitoring of strategic plans via reviews of budgets versus forecasts.Constantly monitor the strengths, weaknesses, opportunities and threats affecting the sectors.		Hospitality Property Corporate Office FinTech	
E Liquidity	<ul style="list-style-type: none">Delay in receiving money from debtorsInability to meet obligations	Optimise working capital and maintain strategic liquidity.	<ul style="list-style-type: none">Treasury function to be considered at corporate level and strategic measures to be developed to manage the Group liquidity position.Negotiation with bankers for most favourable rates for the Group.		The Group	

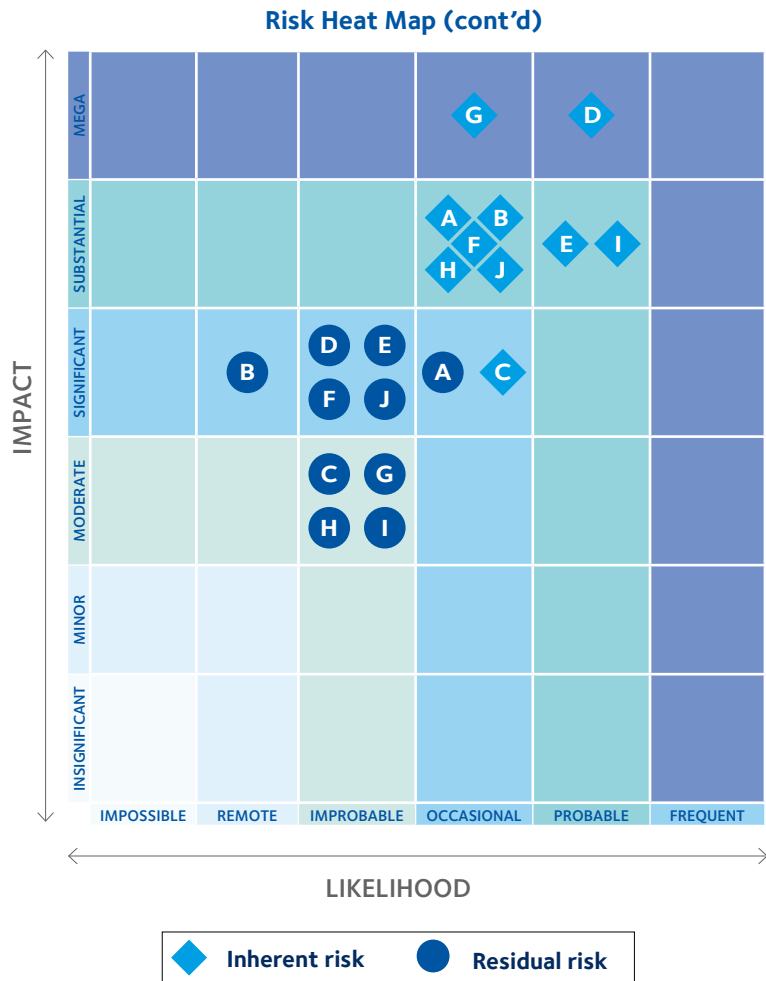
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Risks, opportunities and strategic response (cont'd)

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TOP RISKS	DESCRIPTION & RISK CONTEXT	OPPORTUNITIES	RESPONSE TO RISKS	STRATEGIES IMPACTED*	SERVED MARKET CONCERNED	CAPITAL IMPACTED*
Operational Risks						
F Contracting	<ul style="list-style-type: none">Inadequate contract management for clients and subcontractorsDisputes between parties	Strengthen our brand and enhance our competitive advantage	<ul style="list-style-type: none">Systematic vetting of contractual agreements entered with partners by a legal advisor to ensure that adequate terms and conditions are included.Continue to improve our services to remain competitive.Reviewing contracts and ensuring compliance to contractual agreements.		FinTech Property Corporate Office Hospitality	
G Business Continuity	<ul style="list-style-type: none">Breakdown of operations due to unforeseen major eventsNo proper Business Continuity Plan	Expansion to local and international markets	<ul style="list-style-type: none">Develop, approve and implement a business continuity plan including a disaster recovery site/plan over a defined period.Reassess strategic plan every year.		The Group	
H Skills attraction, performance and retention	<ul style="list-style-type: none">Talent shortage to support growthLow staff engagementRemuneration not aligned to marketNon retention of adequate skills and talentsNo proper succession planning	Continuing to enhance our recognition programme and improving communication towards existing and potential employees to retain and attract best talents	<ul style="list-style-type: none">Communicate more on Rogers brand.Employee survey.Recognition & Rewards.Benchmarking of remuneration.Employee welfare and wellness.		The Group	
I Theft, fraud and corruption	<ul style="list-style-type: none">Misappropriation of assetsFake bank transfer instructions received by emailCollusionInability to implement and communicate ethics and controls	Identification of high risk areas and enhancing the control environment	<ul style="list-style-type: none">Ensure proper segregation of duties and adequate controls.Constant review of work processes, perform regular quality control checks and regular intervention by internal audit.Malpractice reporting policy uploaded on the Group's website.		The Group	
Compliance Risks						
J Legal and regulatory compliance	<ul style="list-style-type: none">Lack of information on legal & regulatory framework and/or political situation in targeted countriesInternal and external compliance procedures not being adhered to by relevant parties	Strengthen our brand and enhance our competitive advantage	<ul style="list-style-type: none">Vetting of legal documents by legal advisors, and constant monitoring of the litigation registers.Updates on changes in legislations and regulations.Regular review and update of the Rogers Guidelines and Policies Manual.		The Group	

Integrated Risk Management

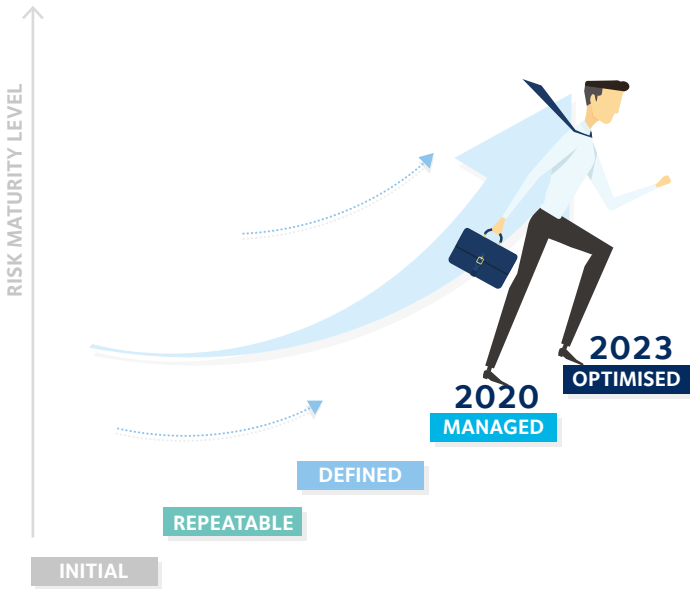


Beyond 2017

Risk Journey

To enhance our ability to respond appropriately to the changing business and risk landscape, we have started and aim to fully integrate our strategy, value chain, operating model, structure, technology, and high-performance culture. This will enable us to grow shareholders’ value sustainably. The implementation of a fully integrated risk management framework is a permanent journey on which the Group has embarked.

On the Risk Maturity level, the Group positions itself at the “Defined” maturity stage and our aim is to continuously climb the ladder as we believe that Rogers has not yet reached its optimum level. Embedding risk management ‘in everything we do’ is a lengthy and meticulous process that requires constant monitoring and fine-tuning of the framework. We are engaged as a Group to work towards our set milestones: the 2020 goal and the 2023 goal. Our aim is to reach the “Managed” maturity level by 2020 and following succession, we will strive to reach the “Optimised” level.



Outlook

The pace of growth and changes in business model such as new technology, require the internal audit team to adapt by using more sophisticated audit tools. To get ahead of the curve, the Risk & Audit team needs to continuously keep abreast of changes in environment, legislations, risks, uncertainties, new services provided and new businesses acquired. RMAC will continue to provide oversight and guidance to the internal audit team.

Our challenges and action plans for the financial year 2018 will be:

- Continue to strengthen the risk awareness culture across the Group, and ensure a closer monitoring of emerging risks.
- Ensure new or changes in risks are reported to RMAC and Board on a timely basis.
- Use of data analytic tools for audit of companies with big volume of data.
- Perform IT audits such as general and application controls and review preparedness of IT Management team in case of cyber attacks.
- Review of internal controls in the first year for all new businesses acquired.
- Implement the new Code of Corporate Governance.
- Prepare the internal audit charter and secure its approval by the RMAC.
- Develop and retain talents with the requisite skills set through continuous professional development programs and trainings.
- Encourage our team to be Certified Internal Auditors.

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