

Inspiring Trust through Corporate Reporting

Corporate Reporting Awards
March 2017



Congratulations to the winners [\(Click for more details\)](#)



[Click here to watch our video](#)

Introduction

The Awards

The Reporting Trends

<IR> : How to get started?



Agenda

Introduction

*It was an honour to welcome **Richard Howitt**, the CEO of the International Integrated Reporting Council (IIRC) and The Honourable **Dharmendar Sesungkur**, Minister of Financial Services, Good Governance and Institutional Reforms, at our 19th edition of the Corporate Reporting Awards. We were pleased to witness so much enthusiasm and hear such strong messages from the Honourable Minister towards <IR>.*

I certainly got the impression that more people see the value in adopting Integrated Reporting Framework <IR>!

*However, the challenge is to break away from past habits and be more **distinctive**. The Judging Panel thought that too many organisations were reporting in their ‘comfort zone’ with ‘boilerplate’ disclosures adapted from the prior year.*

Investors are not always finding what they are looking for and important issues are not being discussed in an open and transparent way.

Be bold for change by telling it how it is and focussing on making the content investor friendly.
*You will also **build trust** by explaining how your board is navigating some of the problems you are facing.*

We would like to see more organisations share their strategy with enough clarity for stakeholders to understand: where the board is taking the business; how this is connected to its business model, its risk management and its performance.

*Organisations should also try to focus on what is **relevant** and spend their budgets and time towards producing quality content.*

We have shared in this report some examples of good practice which we have seen in the market, locally and internationally; the aim here is to encourage you to follow the trends and meet the demands of today’s stakeholders.

Please don’t hesitate to get in touch.

Michael Ho Wan Kau
PwC Partner

Key messages

Distinctive

- *Too many “Boilerplate” and “Superficial” disclosures*
- *Companies are reporting in their “Comfort zone”*
- *The challenge is to break out from past habits and be distinctive*
- *Individuality matters and drives investment decisions*

Relevant

- *Reporting needs to evolve as expectations change*
- *Investors and CEOs tell us its no longer just about profit*
- *Wider stakeholder engagement critical*
- *Focus on reporting what matters to your stakeholders*

Investor friendly

- *Key issues or pains avoided*
- *Transparency in your strategy key in building trust*
- *Financial and non-financial KPIs to be used*
- *Link your Strategy to your Risk Assessment and your Business model*

Introduction

The Awards

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<IR> : How to get started?



The Awards

The Award Winners

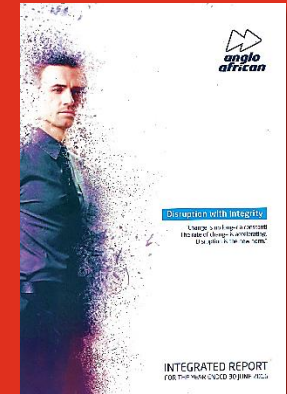
Categories

SEM 10



LUX Island
Resorts Ltd

Public Interest Entities



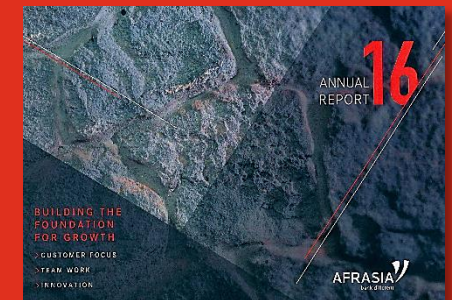
Anglo African
Ltd

Other Listed Companies



Ascencia Limited

Financial Institutions



AfrAsia Bank Limited

The Award Winners

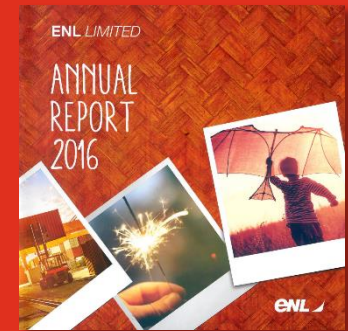
Cross-Categories

Risk Management
Financial
Institutions



AfrAsia Bank Limited

Risk Management
Non-Financial
Institutions



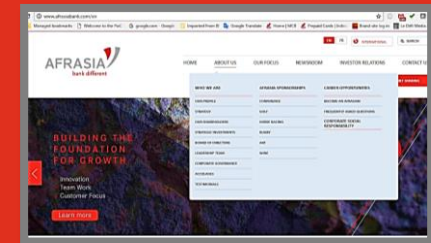
ENL Limited

Corporate
Governance
Disclosures



MCB Group Limited

Online
Reporting



AfrAsia Bank Limited

The Award Nominees

Categories and Cross-Categories

Categories

SEM-10

Phoenix Beverages Limited
Terra Mauricia Ltd

Financial Institutions

Bank One Limited
The Mauritius Union Assurance Cy. Ltd

Listed Companies

ENL Limited

Non-Listed Public Interest Entities and Parastatals

Mauritius Revenue Authority

Cross-Categories

Online Reporting

CIEL Group
ENL Group

Risk Management Disclosures - Financial Institutions (Sponsored by MIOD)

Bank One Limited
The Mauritius Union Assurance Cy. Ltd

Risk Management Disclosures - Non-Financial Institutions (Sponsored by MIOD)

Anglo African Ltd
Rogers and Company Limited

Corporate Governance Disclosures

AfrAsia Bank Limited
Terra Mauricia Ltd



- Margaret Wong
- Catherine McIlraith
- Jean-Paul de Chazal
- Constantin de Grivel
- Juan Carlos Fernandez Zara

***Thank you to our Jury members
for their time and dedication***

Introduction

The Awards

The Reporting Trends

<IR> : How to get started?



The Reporting Trends

The reporting trends through the <IR> lens



Strategic focus and future orientation

We observed progress in the Other Listed Category but a status quo on the SEM-10 and Financial Institutions.

Many organisations are **still not explicit enough in their strategy** and fail to illustrate how the value chain or business model will help them deliver their strategy.

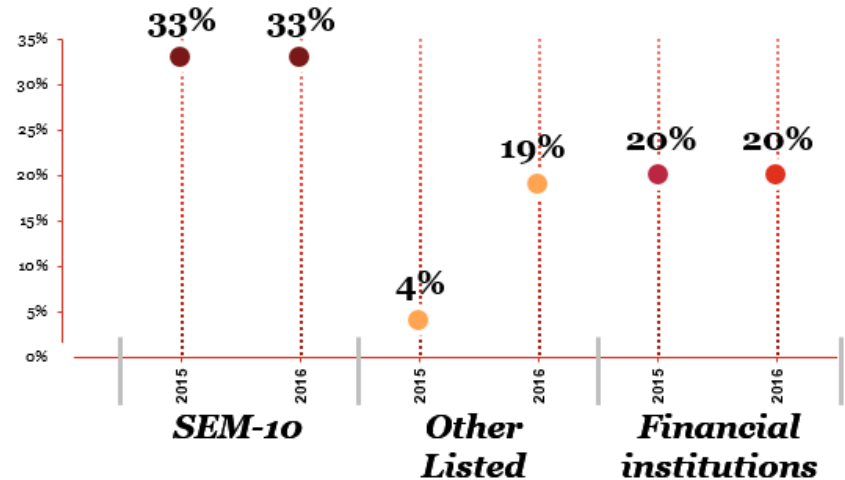
The strategy should also cover how challenges encountered are being addressed. Many organisations are not talking about their big issues.

One way to illustrate your strategy towards risk is by disclosing your respective risk appetite. Many mention risk appetite but none actually share what their risk appetite is for each of the risks. **This could be a way for you to be distinctive.**

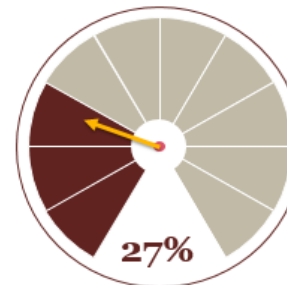
To build trust, organisations should be transparent on their current difficulties and explain how they plan to address them as part of their strategy.

Encouraging trends

Who is showing their value chain?



All Listed



Mention of risk appetite has increased by **19%**, up from **8%** in 2015.

Financial institutions

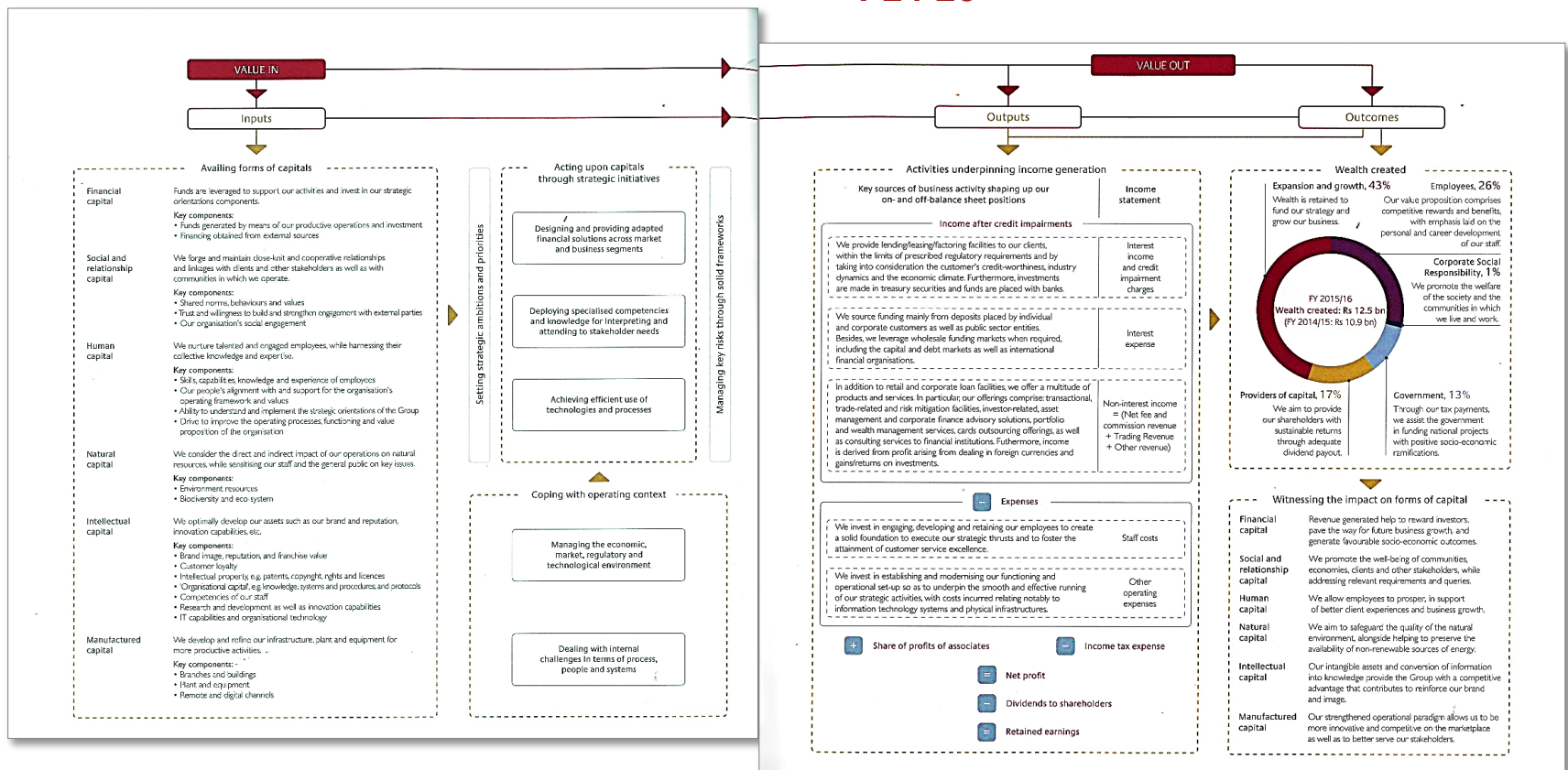


Mention of risk appetite has increased by **9%**, up from **73%** in 2015.

Strategic focus and future orientation

Local example of Value Chain

MCB Group Limited P24-25



Strategic focus and future orientation

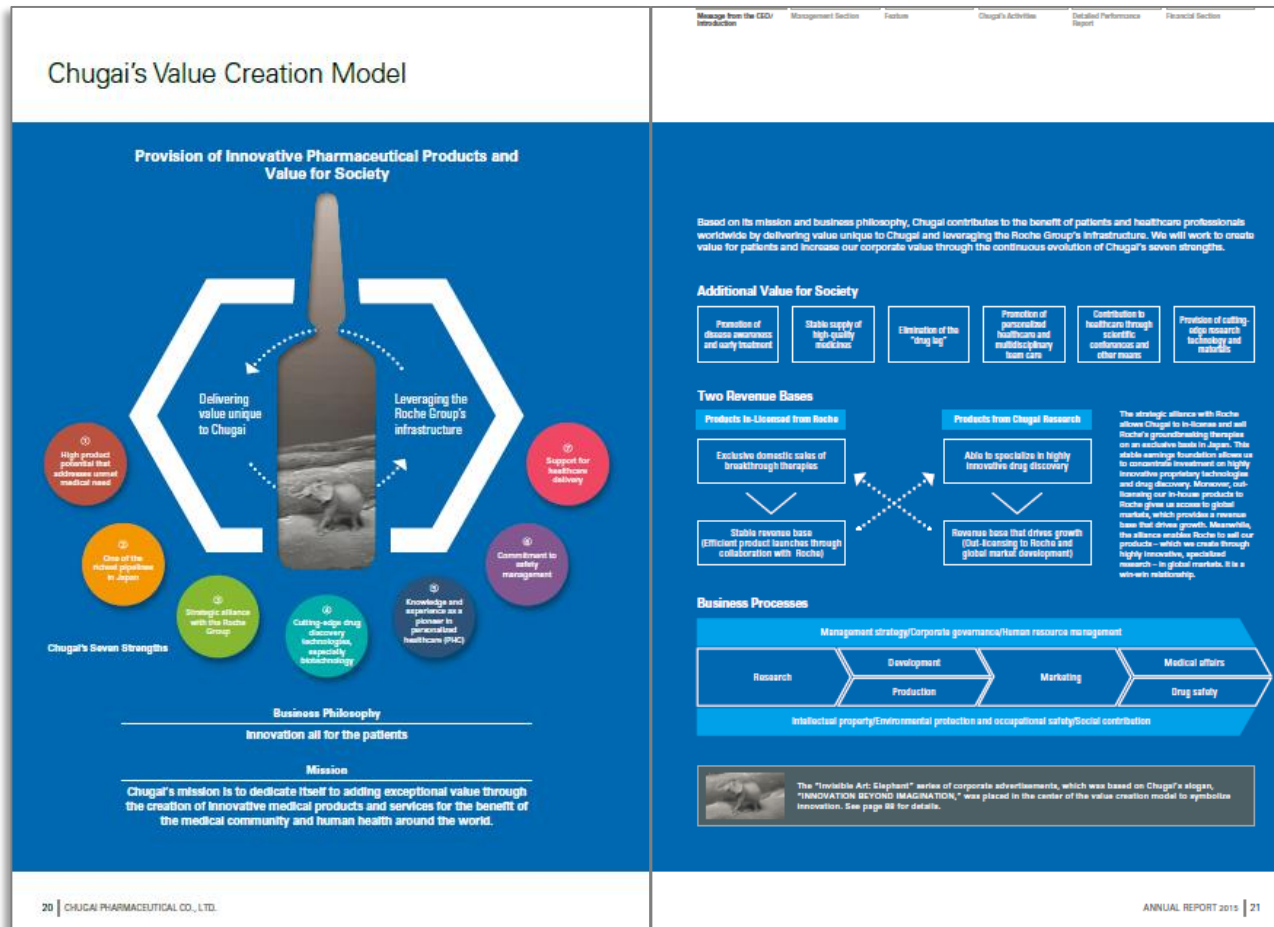
Local example of Business model

Anglo African Ltd P30



Strategic focus and future orientation

IIRC example of Value Chain



**Chugai
Pharmaceutical Co.
Annual Report
2016 -
Business model
P20-21**

Connectivity of information

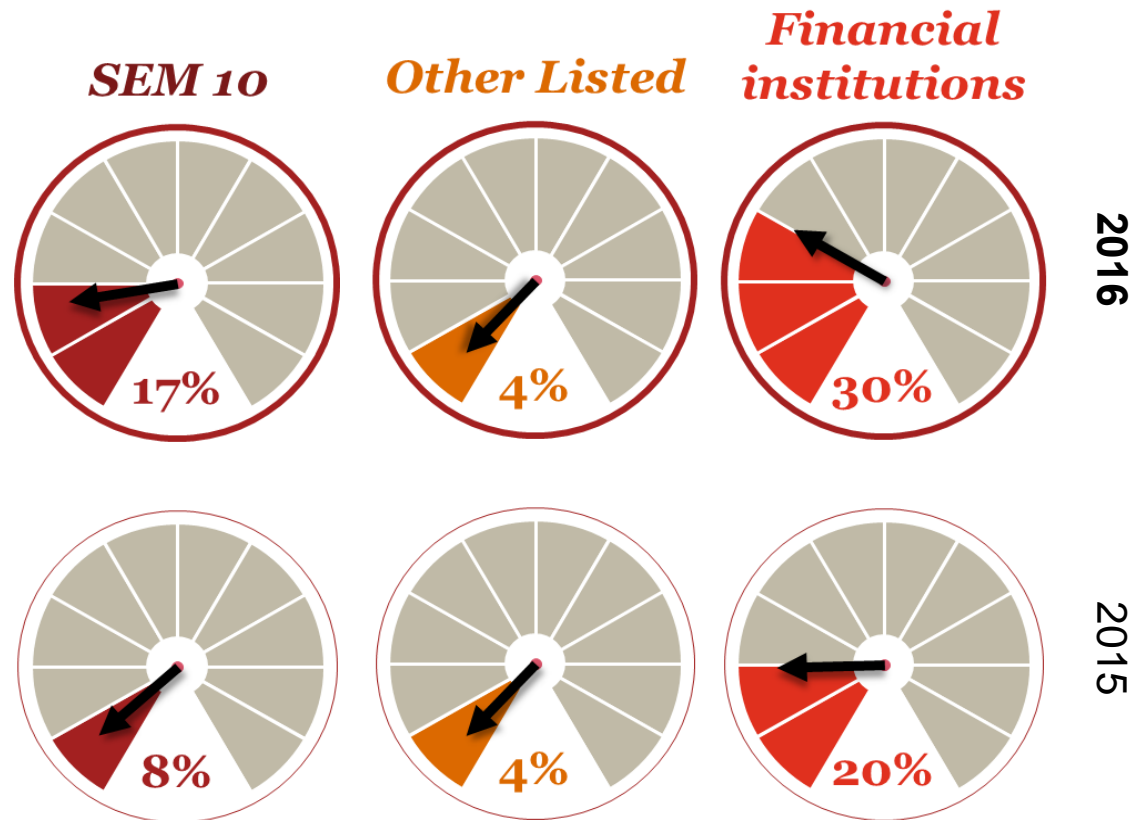
It is crucial to have a **common thread** across the report which tells a consistent story.

Being disjointed will **break the trust** that you are trying to build with your stakeholders and will make them **doubt the integrity** of the information you are providing them.

In this year's CRA, we observed a marked effort by most categories in improving linkage between their business model, their strategy, their performance (through KPIs) and their Risks.

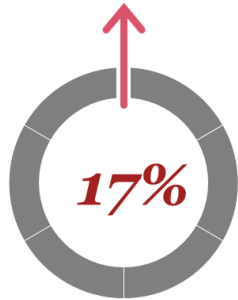
More could be done to raise the bar especially in the SEM 10 and Other listed categories.

Linking Strategy to Business Model

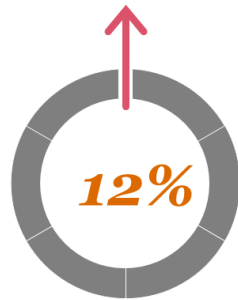


Connectivity of information

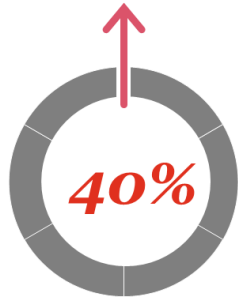
Linking Strategy to KPIs



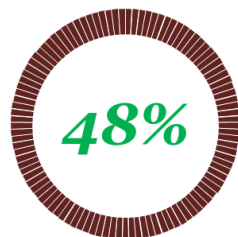
SEM 10
increased by **9%**, up
from **8%** in 2015.



Other Listed
increased by **4%**, up
from **8%** in 2015.

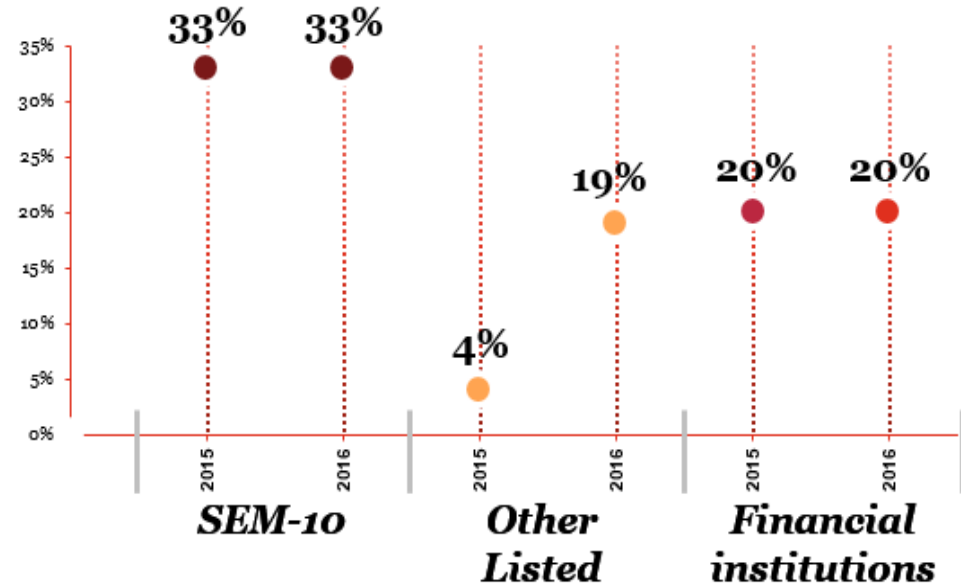


**Financial
institutions**
increased by **10%**, up
from **30%** in 2015.



FTSE 100

Linking Strategy to Risks



Connectivity of information

Local example of connection between risks and strategy

RISK MANAGEMENT 47
ENL Limited / Annual Report 2016

1 Why risk management matters? 2 Snapshot of principal risks 3 What we have in place to manage our risks? 4 Our risk profile

The table below captures the Risk Profile of ENL:

I. STRATEGIC AND EXTERNAL FACTORS:

(1) MARKET CONDITIONS AND ECONOMIC FACTORS

WHAT IS THE RISK?

Being subdued to unfavourable market and economic conditions in terms of :

- Volatility in world sugar prices;
- Oversupply in property market;
- Legislation and regulations which may not be conducive to development of the property segment;
- Persisting negative growth of 4% in the construction sector and slow-down in markets such as IRS;
- Uncertainties regarding the double taxation avoidance treaties;
- 9% contraction in new vehicles' market segment.

Such factors had a direct incidence on the Group's performance and achievement of its strategic objectives.

STRATEGIC FOCUS AREA: Cash generation & profitability

HOW WE MANAGE RISK?

- Maintained the **diversification** strategy by spreading of risks over the wide portfolio of brands/services to sustain customer attractiveness. For e.g. acquisitions and expansion namely in the financial services sector and logistics (Velogic).
- The Group remains **optimistic of short-term/medium-term growth opportunities** for the local market such as
 - (i) taking advantage of the enunciated measures in the 2016 National budget, with regards to 'Smart City scheme' and opening of the Mauritian economy to foreigners.
 - (ii) promising prospects of the hospitality.
- Open to business opportunities in alternative business models with greater tolerance. For e.g. expansion into technical or operational management.
- Geared towards flexibility in order to capture synergistic benefits and value. For instance, greater synergy (property development) and client relationships.
- Maintaining close relationship with business partners, decision-makers and clients for sustainable business.

ENL Limited
P47-54

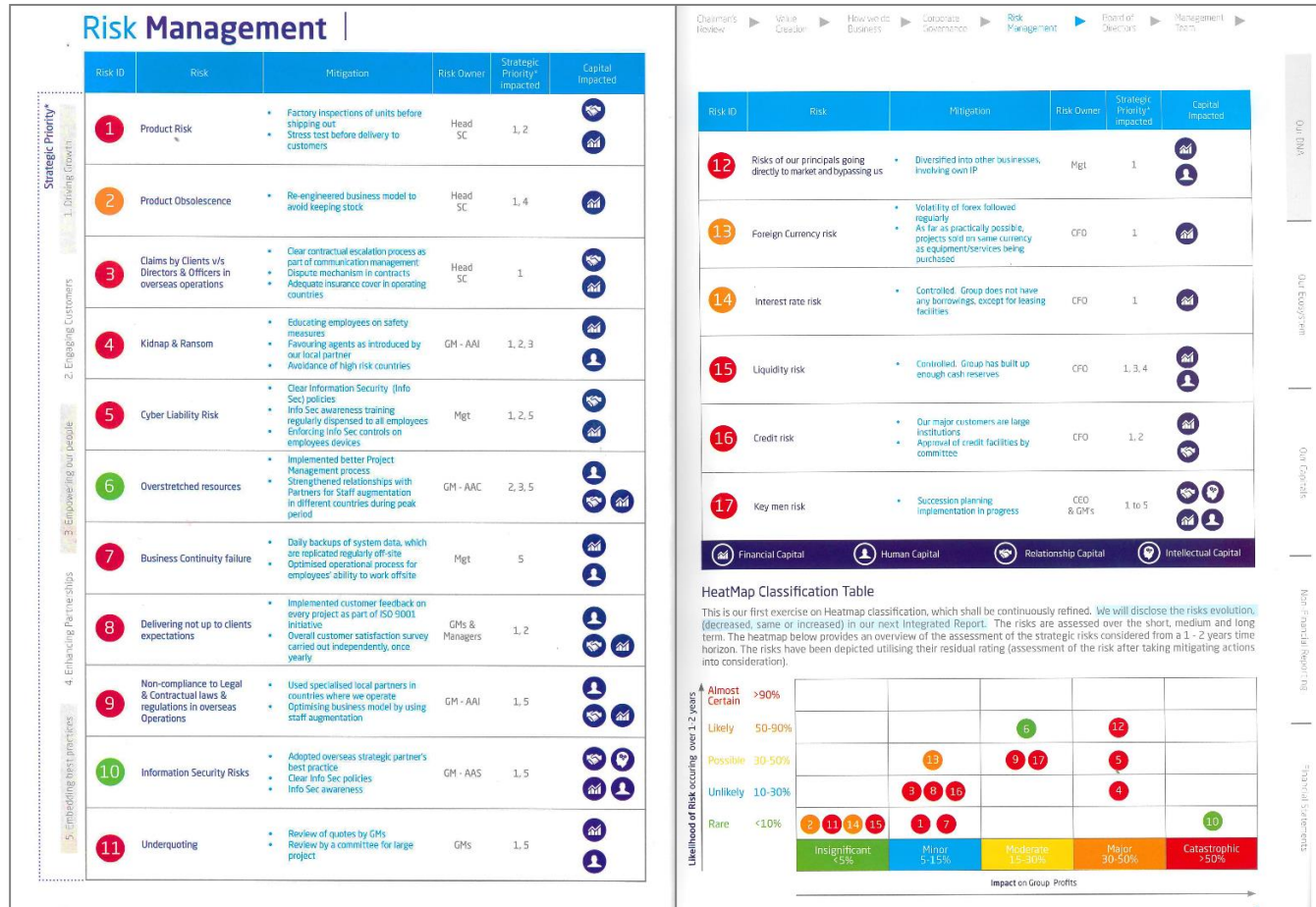
Such factors had a direct incidence on the Group's performance and achievement of its strategic objectives.

STRATEGIC FOCUS AREA: Cash generation & profitability

Connectivity of information

Local example of connection between risks, strategy and capitals

Anglo African Ltd
P22-23



Connectivity of information

IIRC example of connection between risks and strategy

INTEGRATED REPORT & ANNUAL ACCOUNTS 2016-16 | 109th YEAR

TATA

INTEGRATED REPORT
RISKS AND OPPORTUNITIES

Key Risks

Risks	Potential Impact	Impacted Capital	Risk Response Strategies
Strategic Risks			
• Adverse macro environment coupled with global steel capacity may impact our operating markets and net realisations stressing our cash flows and ratings.	• Profitability, Financial, Flexibility	• Financial Capital 	<ul style="list-style-type: none"> Driving initiatives for developing value added products, introducing new brands, diversifying and deepening the customer base and several cost reduction strategies to mitigate challenging economic conditions. Merchant mining of chrome ore and leveraging zero duty on exports. Refinancing of loans and renegotiation of covenants to provide adequate flexibility to the business. Divestment of non-core assets and deferring of expenditure wherever feasible.
• Long-term growth of the organisation may be hampered in case of failure of capacity expansion projects, restructuring.	• Growth & Expansions	• Financial Capital 	<ul style="list-style-type: none"> Leveraging project management expertise for successful implementation of various projects. Development of structural processes for effective project planning, management and enhancing in-house capability. Leveraging experience with regulatory authorities for timely approvals & sanctions.
Operational Risks			
• Failure to maintain adequate health and safety standards may cause us to incur significant costs, liabilities and damage the Company's reputation.	• Human Safety, Employee Morale	• Human Capital • Social and Relationship Capital 	<ul style="list-style-type: none"> Various policies, initiatives, guidelines stringently followed across the organisation to maintain high safety standards. Initiation of "Committed to Zero" drive across the Tata Steel Group, to create awareness and reduce safety accidents. Enhanced efforts to ensure workplace safety in the mines and collieries in India and construction sites.
• Absence of social license to operate may cause business disruptions.	• Business Continuity	• Financial Capital • Social and Relationship Capital 	<ul style="list-style-type: none"> Engagement in various community development programmes such as Self Help Groups (SHGs). Creating village committees and other initiatives that drive the socio-economic empowerment of the local community.
• Human resource risks and/or low productivity may challenge the Company's competitiveness.	• Employee Productivity, Cost	• Human Capital 	<ul style="list-style-type: none"> Strategic initiatives for enhancing employee productivity. This is being achieved through redeployment of the workforce in a phased manner keeping the industrial harmony intact through focused communication channels and developing parity in amenities and treatment for all employees.

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TATA STEEL

Risks	Potential Impact	Impacted Capital	Risk Response Strategies
Legal & Compliance Risks			
• Absence of raw materials linkage due to adverse regulatory environment and/or its price volatility may threaten Company's profitability.	• Business Continuity, Cost, Volume	• Natural Capital • Manufactured Capital 	<ul style="list-style-type: none"> Strong supplier relationships and flexible sourcing through the centralised procurement of raw materials. Continue to closely monitor market conditions and seek to put in place contractual arrangements to ensure security of critical supplies.
• Regulatory and environmental non-compliances may cause the Company to incur liabilities and damage the Company's reputation.	• Regulatory Compliance	• Manufactured Capital • Financial Capital • Social and Relationship Capital 	<ul style="list-style-type: none"> Policies, systems and procedures for regular monitoring of compliances through automated systems. Invest in various environmental projects & schemes (pollution control equipment, effluent treatment plants, quality monitoring systems, waste recycling & disposal schemes, etc.) to improve energy efficiency and minimise environmental footprints.
• Foreign exchange rate volatility may affect the outcome of commercial transactions.	• Profitability	• Financial Capital 	<ul style="list-style-type: none"> Foreign exchange hedging policies to protect trading and manufacturing margins against rapid and significant foreign exchange movements.
• Impairment of tangible and intangible assets may affect the Company's key financial ratios.	• Financial Ratios	• Financial Capital 	<ul style="list-style-type: none"> Reviews of the carrying amounts of tangible and intangible assets (including investments) to determine recoverable amount through continuing use.
Focus Areas			
<ul style="list-style-type: none"> To further strengthen and improve upon the process and framework, the Company will going forward focus on: <ol style="list-style-type: none"> 1. Widening the reach and depth of engagement across the Company in the planned phased manner. 2. Better integration of ERM with business processes. 3. Automation of the ERM process. 4. Launch of e-learning modules and packages/ manuals / documented procedures for ready referrals. 5. Initiation of external training sessions and programmes to spread awareness. 			

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Tata Steel Integrated Report 2016 - Risks and Opportunities P11-12

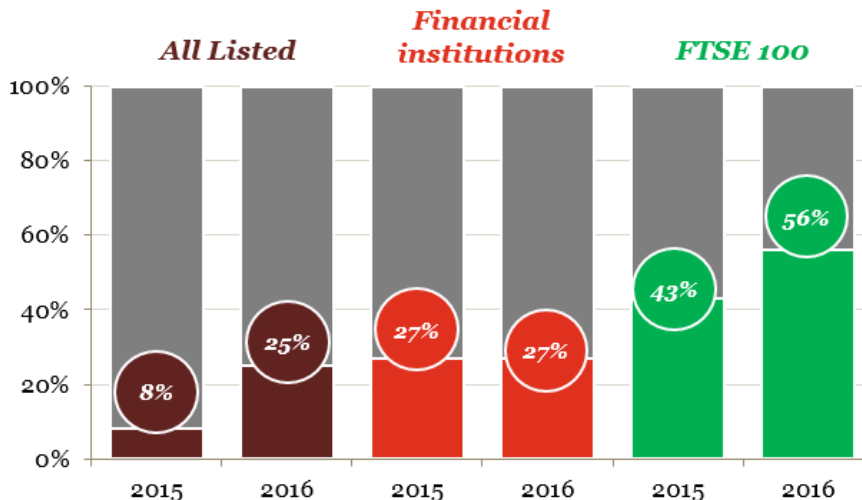
Consistency and comparability

It is important to show your users **how your business is changing** from one year to the next. However, it's more important to explain how you anticipate change ahead. This demonstrates to users that you are **ready for tomorrow's challenges** and builds the confidence users will have in you.

One of the ways to demonstrate this is through the use of heat maps and by explaining the year on year changes in your risks.

We observed good progress made by all categories but the All Listed entities still have some way to go to meet expectations.

Year on Year movement of risks

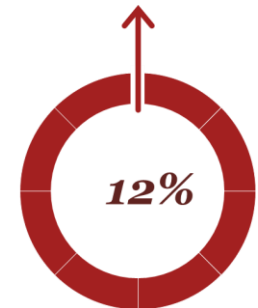


Use of heat maps



The use of a heat map has increased by **6%**, up from **13%** in 2015.

FTSE 100



The use of a heat map has increased by **4%**, up from **8%** in 2015.

All Listed

Consistency and comparability

Local example of performance comparison

**AfrAsia Bank
Limited
P103**

MANAGEMENT DISCUSSION AND ANALYSIS

CURRENT YEAR PERFORMANCE AGAINST OBJECTIVES AND FUTURE GROWTH

OBJECTIVES FOR 2015/16	PERFORMANCE FOR 2015/16	OBJECTIVES FOR 2016/17
Statement of Comprehensive Income – Operating Income		
The Bank's aim is to achieve an operating income of at least MUR 1.9bn for 2015/16	Objective has been attained with operating income closing on MUR 1.9bn for the year ended 30 June 2016	The objective for 2016/17 is to achieve MUR 2.7bn of operating income
Statement of Comprehensive Income – Operating Expenses		
While continuing to invest in IT infrastructure, premises and human resources, operating expenses are expected to remain as low as MUR 768m, that is, an increase of 30% from 2014/15	The Bank closed its financial year with operating expenses of MUR 696.1m, indicative of a close cost monitoring policy	The Bank expects to continue spending in the core areas of IT and human capital over this financial year and end with total operating expense of MUR 1bn for 2016/17
Statement of Financial Position – Loans and Advances		
The Bank will seek to increase its very conservative current loans-to-deposits ratio from 32% in 2015 to reach 43% in 2016, that is, with an aim to achieve customer loans and advances of MUR 32.9bn by the end of June 2016	A subdued growth in loans and advances of 1% with customer deposits increasing by 20% resulting in the Bank closing on a loans-to-deposits ratio of 27% as at 30 June 2016	It is envisaged that the Bank will close the next financial year on a loans-to-deposits ratio of 41%
Statement of Financial Position – Deposits Growth		
While maintaining its existing customer base and gaining on market share, the Bank aims to increase its deposit base to MUR 77.1bn by the end of June 2016	The Bank closed on MUR 80.4bn of Customer Deposits, that is, 4% above target set at beginning of the financial year	The bank is on the right track and is expected to increase its customer portfolio to MUR 84bn for the next financial year
Statement of Financial Position – Asset Quality		
The Bank expects its non-performing loans to be 3% of its gross loans	Non-performing loans as a percentage of gross loans was at 11% end of June 2016, reflective of a disciplined approach to assets classification and provisioning	The Bank target is to close with a non-performing loans as a percentage gross loans at 5%
Statement of Financial Position – Capital Management		
The Bank will achieve a capital adequacy ratio above the minimum regulatory capital requirements under the Basel III provisions	The Bank capital adequacy ratio stood at 11.7% for year ended 30 June 2016	The Bank undertakes to ensure that the Bank meets its capital adequacy ratio as required under requirements under the Basel III provisions.
Performance Ratio – Return on Average Equity		
Return on average equity for the Bank is targeted to be above 20%	The Bank's return on average equity stood at 13% as at end June 2016	The target is to achieve a minimum return on average equity of at least that of the previous year
Performance Ratio – Cost to Income		
The Bank will continue to maintain a cost control policy while continue to investment in core resources	The cost to income ratio was at 37% compared to 36% for 2014/15	It is intended to achieve a cost to income of 34% for 2015/16

AFRASIA BANK LIMITED AND ITS GROUP ENTITIES | ANNUAL REPORT 2016

Consistency and comparability

IIRC example

1.3 Gold Fields DNA

Our Vision

- We are an international company with a global portfolio of assets, the location of which has been informed by our global growth strategy.
- Being a leader means focusing on excellence and delivering value to our shareholders, employees and host communities.
- We focus solely on gold mining. This is our area of expertise and we believe in the long-term value of gold.
- We focus on delivering sustainable value – not just now but in the future. This means responsibly managing our environmental and social impact, and planning the business so that we can continue to deliver value to our stakeholders long into the future.

Our Values

- Safety**: We cannot mine safely, we will not mine.
- Integrity**: We act with honesty, fairness and transparency.
- Respect**: We treat all stakeholders with respect, dignity and respect.
- Innovation**: We encourage innovation and entrepreneurial spirit.
- Delivery**: We strive for excellence and do what we say we will do.
- Responsibility**: We responsibly manage our impact on the environment and host communities.

to deliver on our Stakeholder Charters

- Employee Charter**: A safe, winning and productive team.
 - To be a company of which employees can be proud
 - To celebrate achievement
 - To treat employees with respect and to work with them to ensure their health and safety
 - To provide the right development and support for employees to succeed (with employees' help, to make Gold Fields the best place to work)
- Investor Charter**: A quality portfolio of assets, providing superior returns on gold.
 - To build a quality portfolio of productive mines
 - To provide superior returns
 - To deliver on our commitments
- Society & Community Charter**: The most trusted and valued mining partner.
 - To build strong relationships and trust
 - To create and share value
 - To measure our actions and impact
 - To deliver on our commitments

1.4 Our value creation model

How Gold Fields creates and distributes value

Gold Fields is able to create and distribute value to its stakeholders by achieving its overarching strategic objective, which is to deliver a sustainable free cash flow margin of 15% at a long-term planning gold price of US\$1,300/oz. This means we will not only invest to achieve this year's targets but also those in the years to follow.

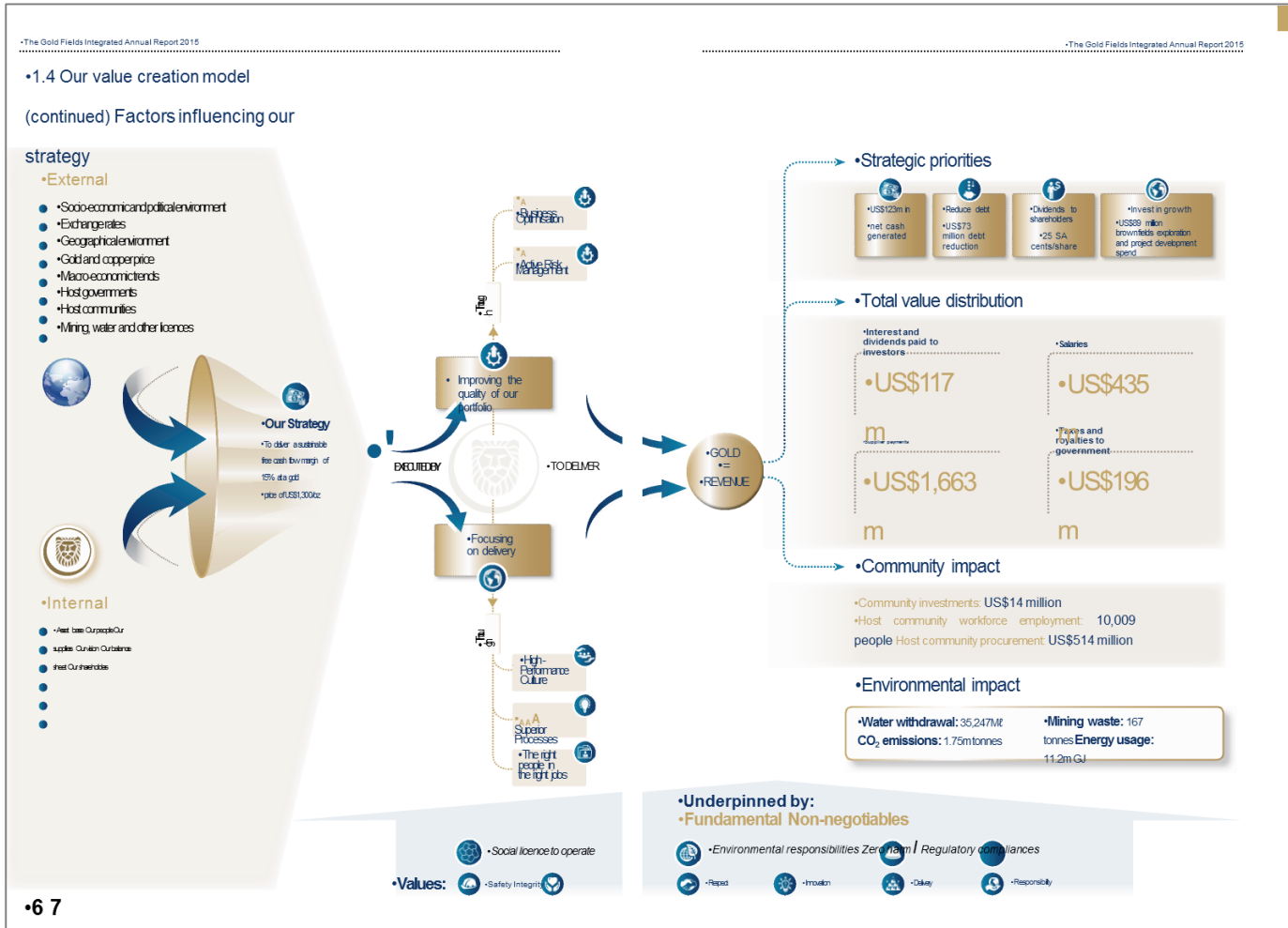
- A wide range of internal and external factors – or inputs – have either had a direct impact on or influenced the development of this strategy. Many of these inputs pose a risk to the Group, and can be directly linked to the top 10 risks on our business risk register (p16), while others are an opportunity.
- At a macro level, we continually consider the global geopolitical climate and macroeconomic trends as well as the socio-economic and political environment in the specific jurisdictions where we operate. In recent years, gold price volatility and a decline in prices have had a direct impact on how we steer the business strategically, and currently pose a key business risk. Furthermore, the level of exchange rates in regions in which we operate have a material influence on our business.
- Certain factors that are more directly linked to our business include the contributions and expectations of our shareholders, host communities and employees and contractors. The public and fiscal policies of host governments, and their stance on the mining industry, is a further important factor.
- Our business uses a number of capitals and resources including natural, manufactured, human, social and financial capital.
- All of these inputs come together to inform our strategy, which in turn is executed by:
 - Improving the quality of our portfolio: Having a quality portfolio of assets allows us to generate the cash needed to meet our objectives.
 - Focusing on delivery: In addition to having a quality portfolio of assets we also require an absolute focus on delivery. This is enabled by driving a high-performance culture, ensuring we have superior processes in place and employing and retaining the right people in the right jobs.
 - The successful execution of our strategy results in revenue creation, and from this we are able to deliver value to a number of stakeholders
- and invest in host communities and countries. We pay interest to financial institutions, salaries to employees, payments to suppliers and taxes and royalties to governments.
- Once these payments are made, the net cash remaining is used to reduce our debt, pay dividends to shareholders and invest in growth – three of our most critical strategic objectives.
- This entire value generation and distribution process is underpinned by certain non-negotiable fundamentals. These include adherence to our safety ethos of 'if we cannot mine safely, we will not mine'; securing and maintaining our social licence to operate; meeting our environmental responsibilities; and, ensuring we have the necessary licences in place to meet all regulatory compliances. The Gold Fields values, which inform the way in which we work, also underpin all aspects of our business.

For a graphic illustration of our business model, refer to the pages that follow

Gold Fields Integrated Report 2015 Performance P4-5

Consistency and comparability

IIRC example



Gold Fields Integrated Report 2015 Performance P6-7

Stakeholder relationships

Investors are telling us that they can't find the information they need.

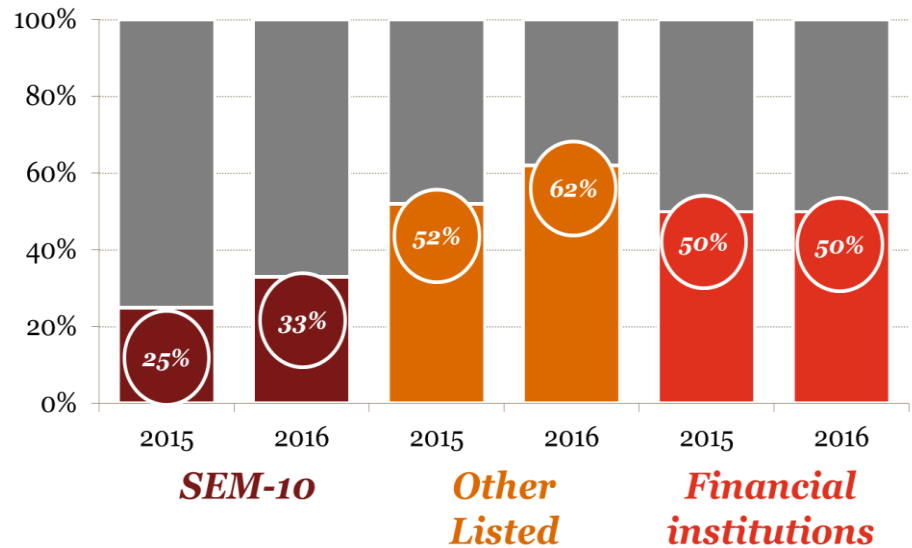
Having an **investor friendly** annual report that answers fundamental questions is paramount.

The annual reports that differentiate themselves are the ones who have clearly gone **beyond the profit figure** and mapped out their various stakeholders and how these connect with their objectives and strategy.

It is then key to measure these using a mix of financial and non-financial KPIs.

There is much room for improvement by the SEM-10 entities when compared with the performance of Other Listed entities and Financial Institutions.

Who is talking non-financial KPIs?



Stakeholder relationships

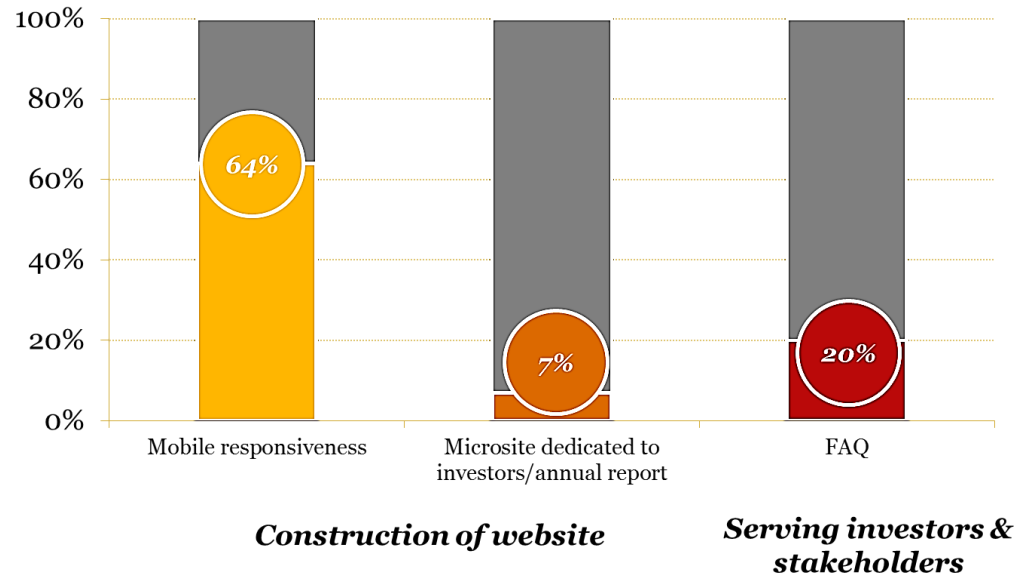
Your website is probably ***your first point of contact*** with your potential investors and many are not devoting enough resources to this.

We found that only **2/3** of corporate websites are adapted to the mobile environment, and only **20%** had a dedicated investor corner.

In a country where the penetration rate is 52% and 54% of us have at least one smartphone, **the business community needs to adapt to this trend.**

Do not hesitate to engage with your stakeholders and act upon their feedback. Adapt your conversations to your different audiences.

The examples shown below will help you get some ideas.



Stakeholder relationships

Local example of stakeholder analysis

LUX Island Resorts Ltd
P101-103

STAKEHOLDER INCLUSIVENESS

An overview of our key stakeholders, how we engage with them and the general nature of their expectations, is provided in the table below:

STAKEHOLDER GROUP	HOW WE ENGAGE WITH OUR STAKEHOLDERS	THEIR CONTRIBUTION TO VALUE CREATION	WHAT OUR STAKEHOLDERS EXPECT FROM US AND WHAT ARE THEIR CONCERNS	IMPACT ON STRATEGY AND OBJECTIVES
TEAM MEMBERS AND MANAGEMENT	<ul style="list-style-type: none"> Internal newsletters Intranet Platform CEO roadshows Executive committees Regular updates via email / Memos Employee surveys Induction programs On-going training and education Performance management programs 	Team members are the most important asset and form the foundation of our business by being productive and elevating guest experience to LUX* Shining level.	Expectation: Providing a safe, rewarding work environment offers opportunities for career development. Concern: <ul style="list-style-type: none"> Health and safety Job security Performance Decent Work Equal Opportunity Gender Equal Ongoing training and education Open communication Team Member Provision of competitive remuneration packages 	
SHAREHOLDERS AND INVESTORS	<ul style="list-style-type: none"> Regular presentations and roadshows External newsletters Integrated reports and financial statements Media releases and published results Annual General Meeting Dedicated analyst and investor presentation LUX* Resorts & Hotels website 	Investors provide the financial capital necessary to sustain growth, development and innovation.	Expectation: Providing sustainable investment through management, strategic opportunities and practices. Brand reputation (business) Concern: <ul style="list-style-type: none"> Delivering sustainable returns Dividends Leadership and direction Corporate governance Progress of operations Capital 	
ACCREDITED ORGANISATIONS, LEGISLATIONS, POLICIES & AUTHORITIES	<ul style="list-style-type: none"> Establish and maintain constructive relationships Participate in legislation developments Participate in forums Regulatory surveillance, reporting and interaction Membership of industry bodies (e.g MTPA) 	Government and other regulatory bodies provide us with our licence to trade and the regulatory framework within which we operate.	Expectation: Providing incentive for community empowerment through job creation, compliance with laws and regulations and generate taxation revenue. Taxation revenue Compliance with legislation and licence conditions Job creation Investment in public and tourism infrastructure Investment in disadvantaged communities Environmentally-friendly operations and reduction in energy and water consumption	Elevate the experience & Stakeholder Relationship
SUPPLIERS	<ul style="list-style-type: none"> One-to-one meetings Tender and procurement processes Supplier forums 	Suppliers are vital to the success of our business by enabling us to deliver consistent guest experience.	Expectation: Providing a framework for transparent supplier selection and effecting payments in a timely manner. Concern: Timely payment terms	Stakeholder Relationship
LOCAL COMMUNITY	<ul style="list-style-type: none"> Events and sponsorships Corporate social responsibility programmes Donations Media channels 	Constant focus on the empowerment of the local community contributes to the long-term viability of our business.	Expectation: Helping to provide a better environment by offering opportunities, events and... Concern:	

Stakeholder relationships

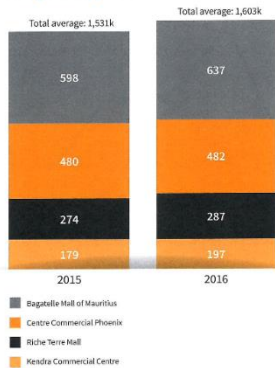
Local example of CEO report

Ascencia Limited P28-29

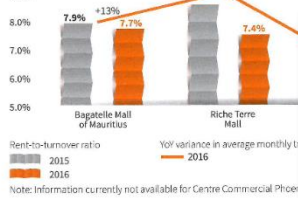
CEO'S REPORT

Whilst Bagatelle Mall of Mauritius continues to deliver above par, the performance of Riche Terre Mall, Kendra Commercial Centre and Bagatelle Office Park is particularly impressive. Riche Terre Mall and Kendra Commercial Centre went through an in-depth review of their respective tenant mix over the last 12 months which brought about a significant improvement in both trading densities and rent-to-turnover ratios. As for Bagatelle Office Park, after having taken a few years to establish itself as a premier office destination, the property has experienced increased interests from Grade A Tenants with the resulting impact that it is now full with achieved rentals in line with the original price positioning of the property.

Average monthly footprint in thousands

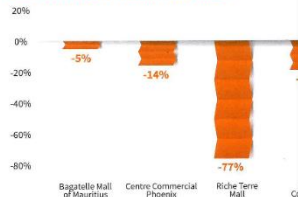


Rent-to-turnover ratio compared to YoY variance in average monthly trade density



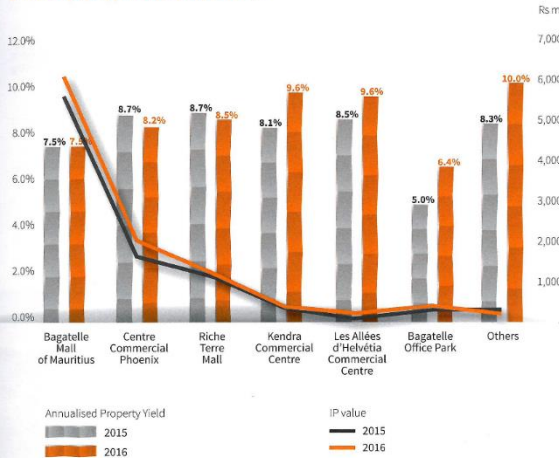
The performance of Centre Commercial Phoenix, whilst lower than that of other properties, has improved significantly since the start of its major renovation works in February 2016. The performance of Riche Terre Mall has also improved significantly since the start of its major renovation works in February 2016.

Evolution in arrears - Year-on-Year variance



This excellent operational performance has led to an increase in gross asset value whilst the property yield on the portfolio has firmed up to 7.8% p.a., reflecting both the prudent approach adopted by the Company on the asset valuation and the income expectation for the 2017 financial year.

Annualised property yield as compared to IP value



Major Events During the Year

The last financial year has been an eventful one. We successfully completed the fundraising of Rs 1.1 billion and proceeded with the acquisition of a controlling interest in Bagatelle Mall of Mauritius and The Gardens of Bagatelle Ltd (owner of the Bagatelle Office Park). We opened the Home and Leisure Node at Bagatelle Mall of Mauritius as planned and initiated the renovation of Centre Commercial Phoenix in February 2016. Furthermore, we had to deal with the demise of one of our largest tenants - Fashion Style Ltd - after the receivership of Courts (Mauritius) Ltd last year. Not only did we manage to mitigate the financial impact of this receivership, but we also managed to relet these shops to other operators, thereby reducing the concentration risk of our top 10 tenants.

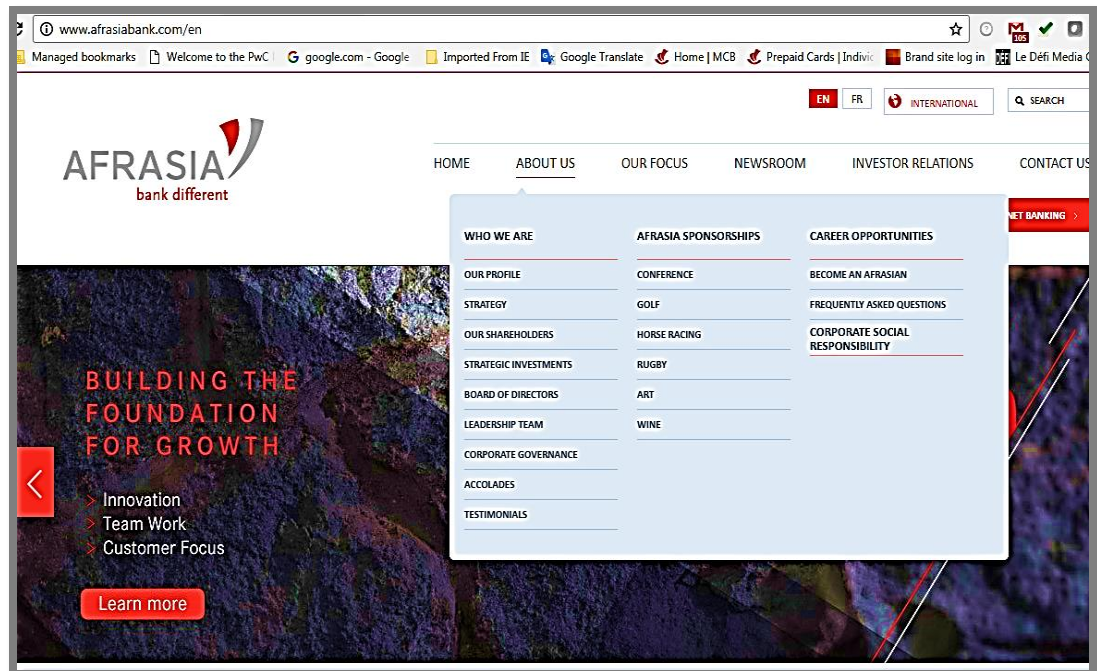
Top 10 tenants per basic rental	%
Vendemia Group	7.0%
ENL Group	6.4%
Woolworths Group	4.1%
New Trezz Co. Ltd	3.9%
City Sports (Mauritius) Ltd	3.0%
Mammouth Trading Ltd	2.9%
Harel Mallac Group	2.9%
Bagatelle Distribution Ltd	2.6%
All Sports Group	2.6%
Cash and Carry Group	2.0%
IBL Group	1.8%

Stakeholder relationships

Local example of investor section on website

AfrAsia Bank Limited

investor-relations.afrasiabank.com/



Stakeholder relationships

IIRC example

Bank of Ceylon

2015
Annual Report

Social and Relationship Capital

Strategic Priority: Contribute to nation building as Bankers to the Nation

Achieving our strategic priority

Education

- Conducted 'Hapana Program' to assist grade five school children who sit for the Scholarship exam through 45 programmes covering more than 25,600 students island wide.
- Offered 2,000 scholarships of LKR 10,000 each for grade five students who excelled in the Scholarship Examination.
- 20 Merit Scholarships of LKR 25,000 each and 75 General Scholarships of LKR 30,000 each were awarded to 18-account holders who excelled in GCE (A/L).
- Provided more than 131 scholarships related to the education purposes amounting to LKR 9.25 million.

National Heritage

- Sponsored cultural payment of historical significance including the Kandy Festival, Ganganawaya Nawam Maha Perahera and Dakshinapajawa.
- to protect their traditions and cultural identity amounting to LKR 4.77 million.

Livelihood Development

- Island wide Dengue Prevention Programme under strict supervision of branches.

- Committed for installation of a Reverse Osmosis Plant at Mahadukawa with an aim to assist prevention of Chronic Kidney disease.
- Early childhood development programme in Uva Province - LKR 1.0 million.

Entrepreneurship

- 310 BOC Mituwa poverty alleviation societies formed covering more than 124,000 members.
- 15 SME centres island-wide.
- Business development services offered to enable SMEs gain knowledge and skill in business practices, R & D, value addition, market close utilization and marketing.
- SME clusters formulated for inter-firm linkage for technology transfer.
- Three workshops on financial literacy and related training and learning initiatives covering 200 participants.

Sports

- LKR 1.5 million contribution for participants - World Games in USA 2015.

Impact on other capitals

- Building relationships with our stakeholders including regulators and communities transacting through our financial capital.
- Human capital drives our stakeholder engagement and thus impacts our social and relationship capital via the strong relationships we have nurtured with communities, valued business partners and clientele.
- A strong foundation of ethics, values, sincerity of action, transparency, compliance, accountability and a need to do good every time, enables BoC to grow its brand equity and build a powerful intellectual capital base.
- Initiatives launched for both customers and communities have a strong environmental ethics base and thus impacts our natural capital.
- Our manufacturing capital, primarily customer touch points carry a good mix of technology, both through the back and front offices, as well as physical infrastructure, enables strong relationship building across all stakeholder segments.
- We have always maintained a holistic view of the Bank's activities, reminding ourselves constantly that it is our strength in relationships that will be the sustainable foundation in keeping our business constant and consistent.

Risks/Challenges, Mitigators and Opportunities in Delivery of Strategic Priority

Risks/Challenges	Mitigators	Opportunities
Constantly maintain a vigilant stance on community requirements	The team constantly engaging with communities around them co-creating more cohesive dialogue platforms	This will be a step towards a multicultural customer base
Making CSR initiatives more visible and creating positive impacts in society	Creating high visibility via social media	Customers being more discerning and hence recognizing our value propositions
Young children being distracted by external facets and not taking the cover of saving	Building relationships with Gen Z by offering technology driven mobile app products	Techn savvy younger generation will be attracted
Maintaining ethical business practices	Raising awareness on BoC's uncompromising stance on ethics	Further differentiate Bank's service quality from the rest



Foundations of the BOC Mituwa Society

While our Sustainability Vision works believes strongly on sustainable development through the triple bottom line, our core understanding is that sustainability is a lifestyle, which to us is the strategy that reflects the way the Bank decides, act and impacts stakeholders.

Encouraging our team to build sustainable relationships across our stakeholder is the first step. Then, re-emphasizing our responsibility towards communities and the nation as a whole means that our values must be firm and to the way we operate. These values must translate into action and from thereon, into results. It is

this focus in relationships that enable us to contribute to nation building, because we become the drivers of change, the drivers of empowerment and the drivers of vision. We build foundations, we build communities and we build foundations in ethics, morals and principles.

Two key questions we always ask ourselves are:
What is the business doing?
What is the business planning to do?

This forms the foundation on creating a sustainable foundation constructed on sustainable relationships.

In our Social and Relationship Capital report, we take stock of the resources we have in creating and nurturing relationships. While our human resources and most of our customer service initiatives are covered in other capital reports, we would like to re-emphasize our relationships with the community in this section.

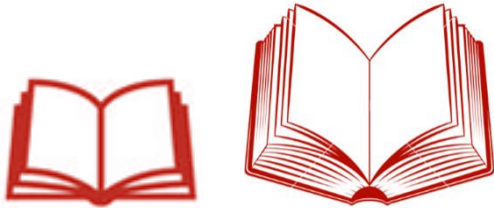
Our triple bottom line is governed on a top down approach that permeates across the nearly 8,000 team members. Spearheaded by the Chairman and Board of Directors who set strategy, a dedicated Sustainability Committee regularly met on matters pertaining to strategy, policy, implementation, monitoring and impacts. The ultimate goal is to deliver value where we contribute to nation building through cohesive consistent principles and best practices as Bankers to the Nation.

To gain the desired returns on the investment we have infused into our capital, it is imperative that our stakeholder engagement process is in place, open, transparent and most of all, responsive. Given below is a comprehensive explanation of our stakeholder, the engagement process and frequency, issues highlighted and responded to.

Bank of Ceylon
Annual Report 2015
The capitals P100-101

Materiality and Conciseness

*The average pages of annual reports have increased from **131 to 143**.*



So, are we getting more concise and to the point?

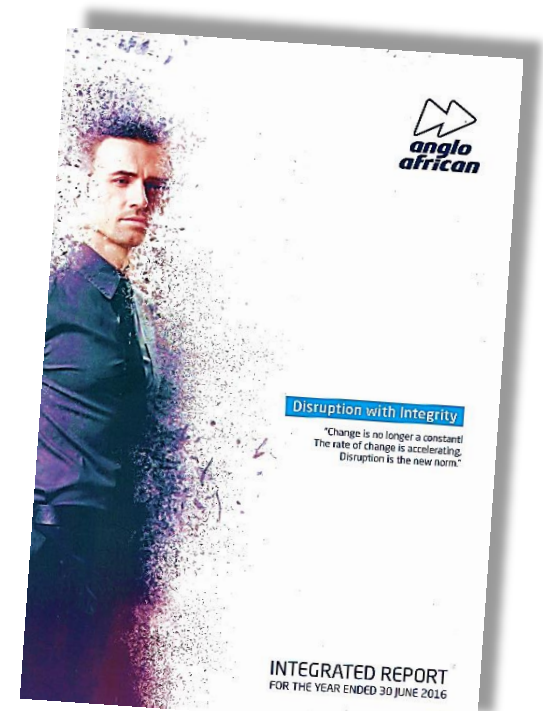
There is a fine line between too much information and not enough.

The overall impression the Judging Panel got from this year's assessment is that most participants either share too much information, or not enough; but very few provide **relevant and concise** information with **the right balance of text and diagrams**.

If you think an information is important to you as directors or management, then it is likely to be important to your stakeholders.

Consider removing materials that clutter the messages you want to convey. To retain the attention of investors, be clear and concise.

The best local example we found during this year's contest was [the Anglo African Limited annual report](#).



Materiality and Conciseness

IIRC example of material issues discussion

Key factors affecting our performance

- 1 Financial outcome
- 2 Physical resource
- 3 Human resource
- 4 Customer
- 5 Environment
- 6 Community

- 1 Governance and relationships (see page 47-48)
- 1 Material issues (see material issues discussion on page 48-49)

Material issues Our material issues are factors that have the potential to most significantly influence our ability to deliver our strategic objectives. They are reviewed on an annual basis through a cross-business workshop facilitated by an external third party. The results are endorsed by the Management Board.

<p>Population and race</p> <p>Resources and relationships relevant to the issue</p> <p>What it's about A commitment to responsible business. Society expects our business to be socially responsible.</p> <p>What we're doing Engaging with our customers and external stakeholders to ensure our business is socially responsible.</p> <p>Performance measures • Employee satisfaction survey score (ES)</p> <p>Strategic objective 1 2 3 4 5 6</p>	<p>Sustained and profitable growth in response to our markets</p> <p>Resources and relationships relevant to the issue</p> <p>What it's about Our reputation for being a reliable provider of services.</p> <p>What we're doing Investing in our people, products and services to ensure we are a reliable provider of services.</p> <p>Performance measures • Total revenue growth over 30 days (TRG)</p> <p>Strategic objective 1 2 3 4</p>	<p>Government policy</p> <p>Resources and relationships relevant to the issue</p> <p>What it's about Changes in government policy could affect our business.</p> <p>What we're doing Monitoring government policy and engaging with relevant stakeholders to ensure we are prepared for any changes.</p> <p>Performance measures • Government policy impact score (GPIP)</p> <p>Strategic objective 1 2</p>	<p>Power of strategic partner partners</p> <p>Resources and relationships relevant to the issue</p> <p>What it's about Strategic partner partners have the power to influence our business.</p> <p>What we're doing Engaging with our strategic partner partners to ensure we are prepared for any changes.</p> <p>Performance measures • Strategic partner partner score (SPS)</p> <p>Strategic objective 1 2</p>	<p>Warranty, development and reliability of base fabric</p> <p>Resources and relationships relevant to the issue</p> <p>What it's about Warranty, development and reliability of base fabric are key to our business.</p> <p>What we're doing Investing in our people, products and services to ensure we are a reliable provider of services.</p> <p>Performance measures • Warranty claim rate (WCR)</p> <p>Strategic objective 1 2 3</p>	<p>Governance</p> <p>Resources and relationships relevant to the issue</p> <p>What it's about Governance is a key factor in our business.</p> <p>What we're doing Investing in our people, products and services to ensure we are a reliable provider of services.</p> <p>Performance measures • Governance score (GS)</p> <p>Strategic objective 1 2 3 4 5 6</p>
<p>Health of the economy</p> <p>Resources and relationships relevant to the issue</p> <p>What it's about The health of the economy is a key factor in our business.</p> <p>What we're doing Monitoring the health of the economy and engaging with relevant stakeholders to ensure we are prepared for any changes.</p> <p>Performance measures • Economic growth rate (EGR)</p> <p>Strategic objective 1 2 3</p>	<p>Customer issues</p> <p>Resources and relationships relevant to the issue</p> <p>What it's about Customer issues are a key factor in our business.</p> <p>What we're doing Engaging with our customers to ensure we are a reliable provider of services.</p> <p>Performance measures • Customer satisfaction score (CS)</p> <p>Strategic objective 1 2 3 4</p>	<p>Technological change</p> <p>Resources and relationships relevant to the issue</p> <p>What it's about Technological change is a key factor in our business.</p> <p>What we're doing Investing in our people, products and services to ensure we are a reliable provider of services.</p> <p>Performance measures • Technological change score (TCS)</p> <p>Strategic objective 1 2 3 4 5 6</p>	<p>Natural resources</p> <p>Resources and relationships relevant to the issue</p> <p>What it's about Natural resources are a key factor in our business.</p> <p>What we're doing Investing in our people, products and services to ensure we are a reliable provider of services.</p> <p>Performance measures • Natural resource score (NRS)</p> <p>Strategic objective 1 2 3</p>	<p>Successful placemaking</p> <p>Resources and relationships relevant to the issue</p> <p>What it's about Successful placemaking is a key factor in our business.</p> <p>What we're doing Investing in our people, products and services to ensure we are a reliable provider of services.</p> <p>Performance measures • Successful placemaking score (SPS)</p> <p>Strategic objective 1 2 3 4 5 6</p>	<p>Climate change</p> <p>Resources and relationships relevant to the issue</p> <p>What it's about Climate change is a key factor in our business.</p> <p>What we're doing Investing in our people, products and services to ensure we are a reliable provider of services.</p> <p>Performance measures • Climate change score (CCS)</p> <p>Strategic objective 5</p>

The Crown Estate
Annual
Report 2015
P48-49

Reliability and completeness

IFRS observations

Without reliable information, the investor's decision is flawed!

We were not clear when analysing financial statements, how some financial reporting issues have been dealt with.

These are :



Across the sugar sector, how low sugar prices impacted the recoverable value of sugar mills. Disclosure of the impairment assessment assumptions was also not shared in sufficient details;



Has the entity considered their gratuity obligations under the Employment Rights Act 2008? You can have a defined contribution plan and still have an obligation to make up for a deficit towards your employees under the Employment Rights Act 2008;



Inconsistent depreciation policy of hotels across the sector with the use of questionable assumption on the estimated realisable value.



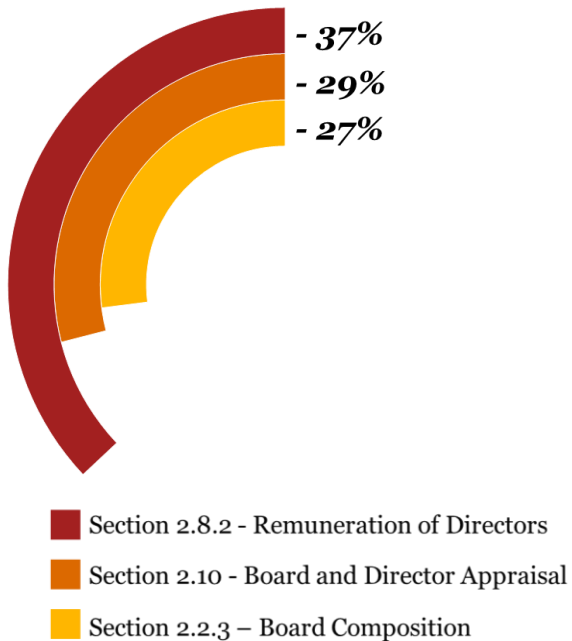
The trend is now to not only share non-financial data with your users, but to also get these figures audited to add credibility to your data.

We certainly saw the winner of the SEM-10 category do this! Please follow their example to add credibility to the information you are relying on.

Reliability and completeness

Corporate Governance Disclosures

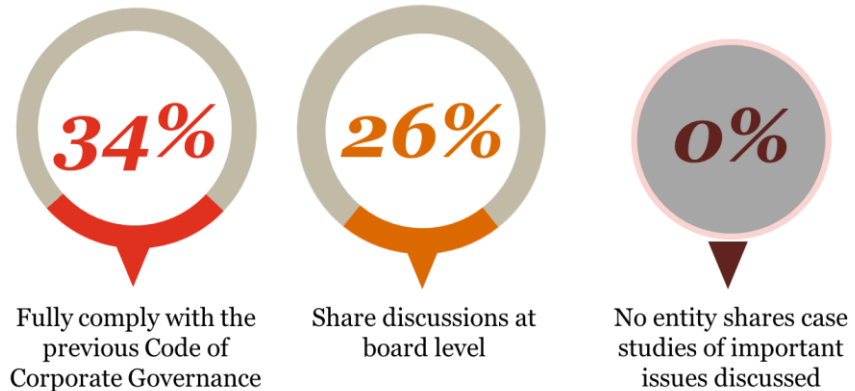
Non-compliance sections



Corporate Governance and the culture of compliance needs to evolve if we are serious about adopting the new code.

Nearly **2/3** of entities having at least one non-compliance.

Only **26%** of contenders shared discussions at board level and none actually shared case studies of issues discussed during the year.



The new code will be a real challenge to apply if there is no change in the mindset of those charged with governance.

Reliability and completeness

Innovative example - assurance over non-financial KPIs

LUX Island Resorts Ltd
P181

ANNEX 2
INDEPENDENT ASSURANCE
PROVIDER'S LIMITED ASSURANCE
REPORT ON SELECTED KEY
PERFORMANCE INDICATORS

TO THE DIRECTORS OF LUX ISLAND RESORTS LIMITED

REPORT ON SELECTED KEY PERFORMANCE INDICATORS

We have undertaken a limited assurance engagement on selected key performance indicators (KPIs), as described below, and presented in the 2016 Integrated Annual Report of LUX Island Resorts Limited (LUX*) for the year ended 30 June 2016 (the Report). This engagement was conducted by a multidisciplinary team relevant experience in sustainability reporting.

SUBJECT MATTER

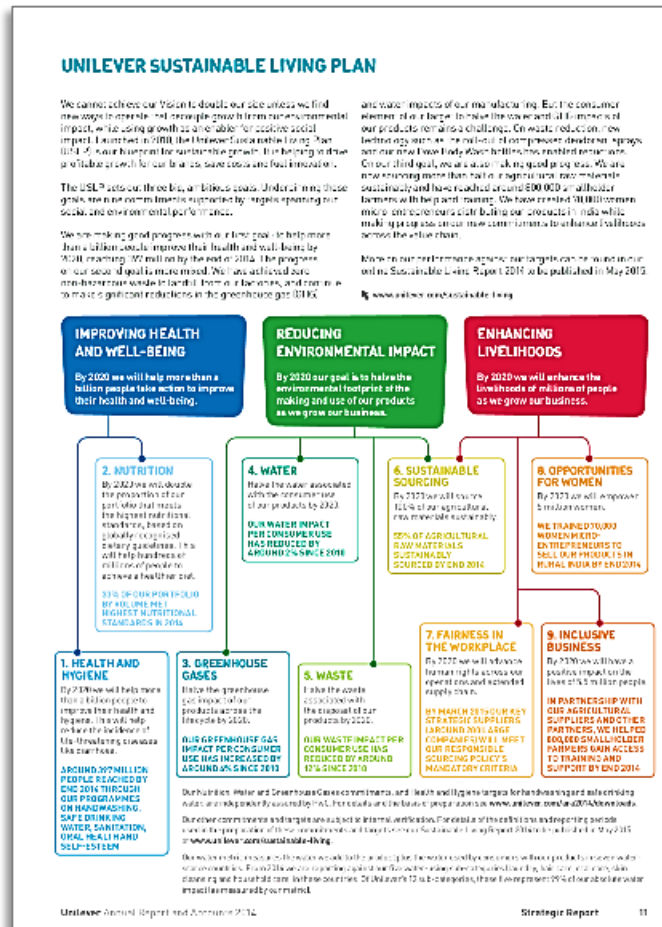
We are required to provide limited assurance on the following selected KPIs, marked with a 'LA' on the relevant pages in the Report. The selected KPIs described below have been prepared in accordance with LUX*'s reporting criteria that accompany the performance information on the relevant pages of the Report as described on page 184 (the accompanying LUX reporting criteria) [N2]

Category	Selected KPIs	Scope of Coverage
Corporate Governance	• Ethics and Integrity (pg 78)	LUX Island Resorts Limited
Environment	• Energy Consumption (Scope 1 and 2) (pg 93) • Greenhouse Gas Emissions arising from Scope 1 and 2 (pg 94)	LUX Island Resorts Limited
Human Rights	• Total hours of employee training on human rights policies or procedures (pg 96) • Total number of incidents of discrimination and corrective actions taken (pg 96)	LUX Island Resorts Limited
Labour Practices and Decent Work	• Total number and rates of new employee hires and employee turnover by age group, gender and region (pg 96)	
Society	• Percentage of operations with implemented local community impact assessments, and development programs (pg 96)	
Customer Satisfaction	• Results of surveys measuring customer satisfaction (pg 96)	

Reliability and completeness

IIRC example

Unilever Annual Report 2014 Strategy and resource allocation P11



Introduction

The Awards

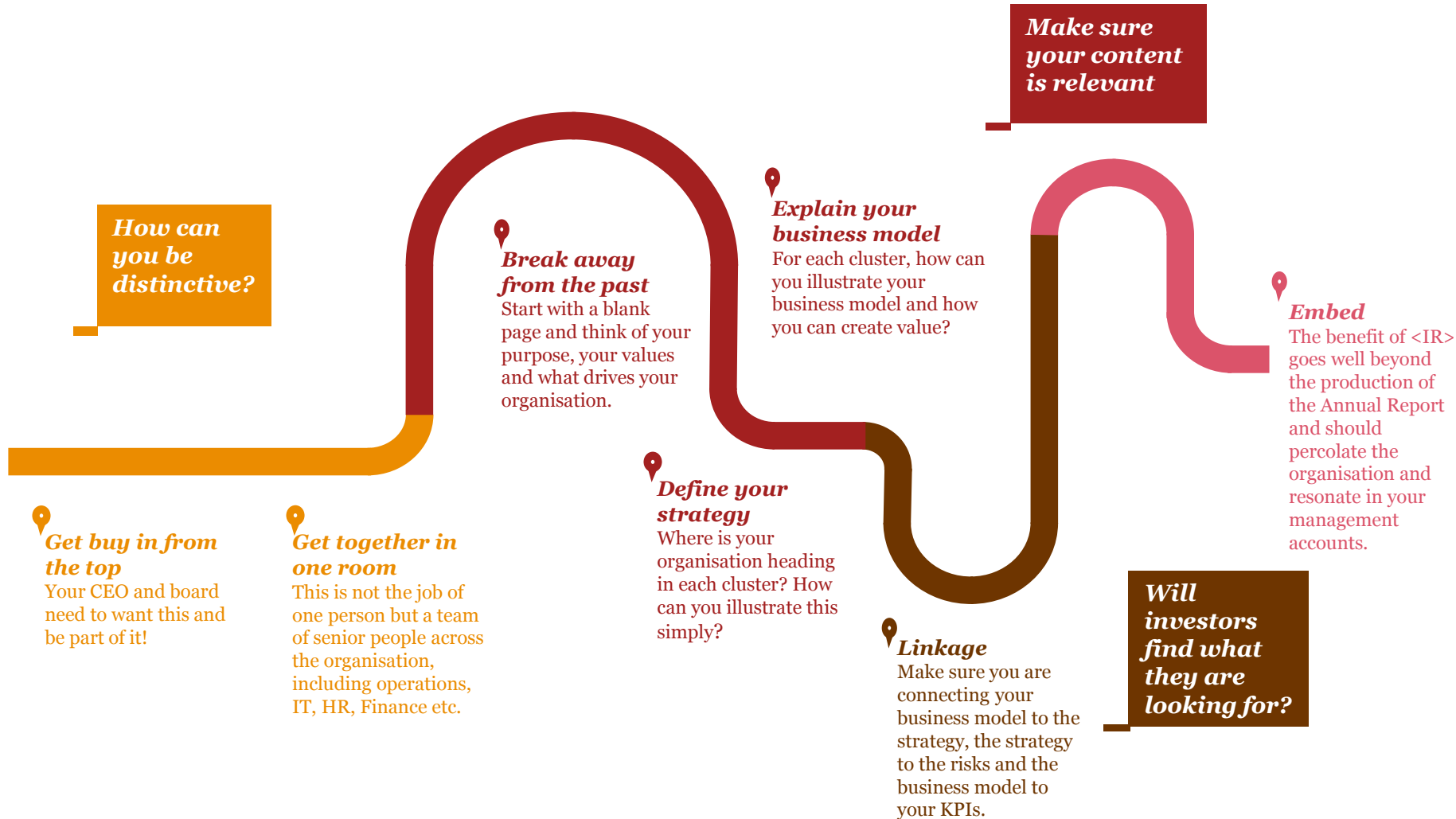
The Reporting Trends

<IR> : How to get started?



<IR>: How to get started?

<IR> How to get started?



<IR> *How to get started?*

PwC Research and Insights

Useful links:

Corporate Reporting Awards 2017

www.pwc.com/mu/cra

International Integrated Reporting Council

www.theiirc.org

PwC Corporate Reporting dedicated site

www.corporatereporting.com

Building Public Trust Awards (UK)

www.bptawards.com

PwC's Corporate Reporting Blog

<http://pwc.blogs.com/corporatereporting>

IFRS Guidance

www.pwc.com/ifrs

Useful Apps:



www.pwc.com/mu/cra



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