



| PERFORMANCE EXCELLENCE |

PERFORMANCE

Natural capital | Human capital | Manufactured capital |
Intellectual capital | Social capital | Financial capital



Performance is our compass,
guided by sustainability and
our organisation's strengths,
driving our pursuit of excellence.

PERFORMANCE

Natural Capital

Natural Capital includes renewable and non-renewable environmental resources like water, air, land, minerals, and forests, as well as biodiversity and ecosystem health.

Key numbers across the Group

Training/awareness sessions provided on Sustainability (hours):

146 (↑ 126)

Emissions per 100mm block (KgCO_{2e}):

1.02 (↓ 0.24)

Emissions per 150mm block (KgCO_{2e}):

1.34 (↓ 0.31)

Emissions per 200mm block (KgCO_{2e}):

1.64 (↓ 0.39)

Natural gas consumption (tonnes):

339 (↓ 17)

Diesel consumption (million litres):

4.0 (↑ 0.11)

Number of energy audits carried out:

4 (↑ 4)

Number of public charging stations for electric vehicles installed (in partnership with E-motion):

3 (↑ 3)

Number of air monitoring exercises conducted across UBP production sites:

10 (Same as FY 2022)

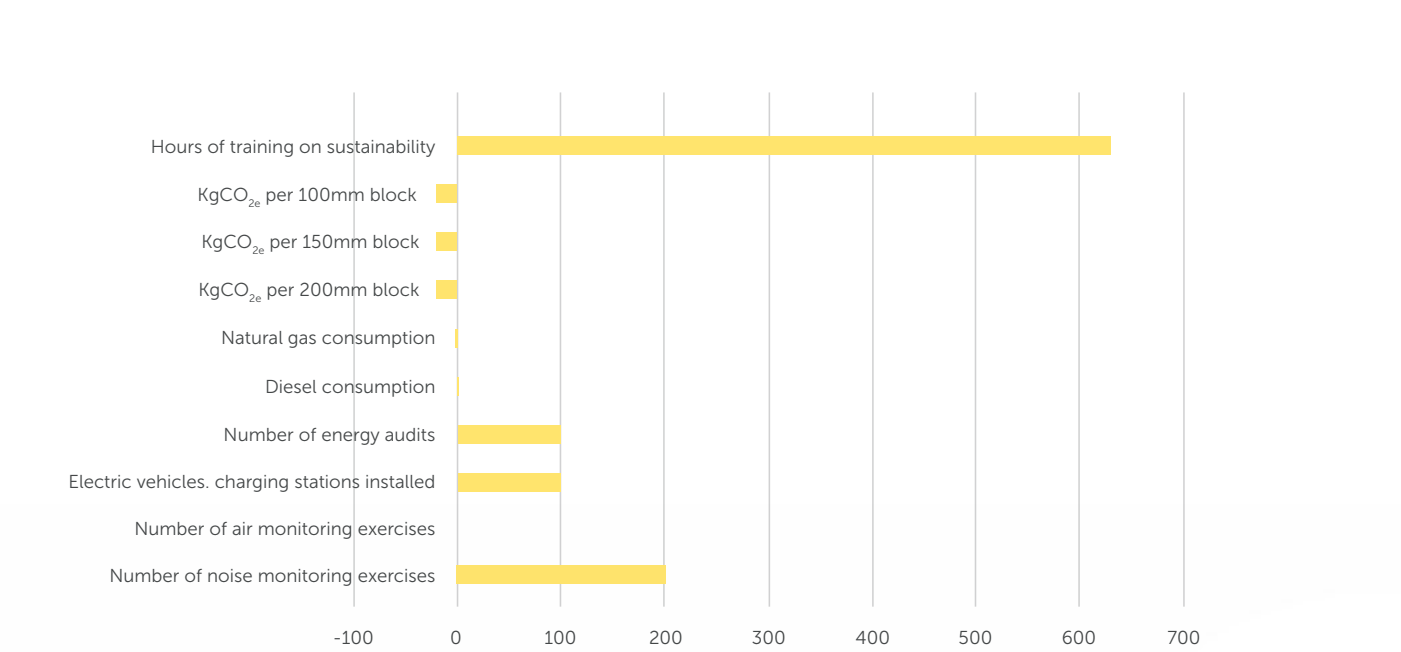
Number of noise monitoring exercises conducted across UBP production sites:

43 (↑ 29)

Strategic management of this capital

The Group’s strategy is centred on reducing the carbon intensity of its products, all while fostering circularity. In line with our commitment to integrate sustainability within our decision-making and operations, we have been steadfast in preparing for an efficient transition by focusing our actions on energy efficiency and climate action.

PERCENTAGE DIFFERENCE BETWEEN FY2022 AND FY2023



PERFORMANCE

Natural Capital

Highlights in FY2023

GROUP-LEVEL

- The Group is integrating a double materiality approach, which combines financial materiality (the planet and society’s impact on business operations) and impact materiality (a business’ impact on the planet and society). This approach is enabling us to better assess how the Group can improve its impact on the Environment and Society, while gaining a more holistic view of ESG-related risks and opportunities for the business.
- We are deploying a Measurement and Verification Protocol that will provide us with a framework to report on project energy savings transparently, reliably and consistently.
- The time spent on sustainability-related training (hours/person) increased sixfold within the Group.
- To supplement our commitment to climate awareness, we have organised *La Fresque du Climat* sessions for our Head of Departments and General Managers. Additionally, we are actively raising awareness about the causes and effects of climate change by conducting *La Fresque du Climat Junior* sessions, specifically tailored to the children of our employees aged between nine and fourteen years old. These engaging and educational sessions serve as a unique platform for young minds to comprehend the complexities of climate change, and its implications on ecosystems. By fostering a deeper understanding of environmental issues, we aim to inspire a sense of environmental responsibility among the younger generation, empowering them to become advocates for sustainable practices and climate action not only within our walls, but also within their own neighbourhoods and communities.

INDIVIDUAL COMPANY CHALLENGES AND MITIGATION STRATEGIES

Company	Potential adverse impacts	Measures to reduce impact and create value
Drymix	Plastic coatings in bags undermine recycling	Drymix is engaging suppliers to explore recycled or biodegradable plastic options
Gros Cailloux	Less cohesive waste management due to lack of policies	Establishment of a comprehensive waste management policy by 2025
Premix	Extreme weather events impeding operations generating more wastage	Considering synergistic use of unused materials through partnerships

OTHER ACTIONS TO PRESERVE AND CREATE VALUE

ENERGY MANAGEMENT

UBP

- Partnered with E-motion for the installation of three (3) charging stations for electric vehicles at Espace Maison's stores in Forbach, Tamarin and Gros Cailloux.

- Conducted the first mandatory energy audit at UBP's site at Geoffroy Road to take stock of its current energy performance. The findings are expected to provide insights into the energy efficiency goals to be set and replicated across other sites in the future.
- Commissioned three voluntary energy audits at UBP's Plaine Magnien and Poudre D'Or sites and Terrarock.
- In pursuit of its energy management and decarbonisation goals, UBP applied for the establishment of a renewable energy generation project under the CEB's Carbon Neutral Industrial Scheme (CNIS). The proposed renewable energy plant, focused on photovoltaic energy, would have the capacity to cater for the consumption of all industrial sites, not only within UBP's core businesses, but also its subsidiaries, namely Premix and Drymix.

Once operational and if successful, this project will contribute to the reduction of our carbon footprint, as well as to the national efforts of achieving the target set out in the Renewable Energy Roadmap 2030 for the electricity sector in Mauritius.

- Initiated a pilot Scope 123 carbon emissions assessment with London-based Carbon Analytics in June 2021. A real-time carbon accounting platform will enable UBP to accurately measure its carbon footprint by early 2024, aligning with the GreenHouse Gas (GHG) Protocol standards and enhancing circular economy practices.

Premix

- Initiated a Scope 123 carbon emissions assessment measurement exercise in accordance with GHG Protocol to enhance Premix's understanding of its carbon footprint. This will set the baseline for targeted initiatives to reduce its environmental impact.
- Initiated a comprehensive Life Cycle Assessment (LCA) of various grades of concrete. The LCA will thoroughly examine the entire life cycle of these concrete grades, from raw material extraction to production, transportation, and end-of-life considerations. The ultimate goal of this assessment is to provide the necessary data for publishing an Environmental Product Declaration (EPD). This commitment to transparency and environmental stewardship reflects Premix's dedication to allowing its stakeholders to make informed choices and contributing to a more sustainable built environment.

Drymix

- Initiated a Scope 123 carbon emissions assessment measurement exercise in accordance with GHG Protocol to enhance Drymix's understanding of its carbon footprint. This will lay the groundwork for targeted initiatives to reduce our environmental impact.
- Managed energy during power cuts by using both Liquefied Petroleum Gas (LPG) and diesel-generated electricity to power its operations.
- Installed a new gas burner, leading to a decrease of 26.1% in the use of Liquefied Petroleum Gas required for sand drying.
- Monitors its energy consumption through detailed reports stemming from its Enterprise Resource Planning (ERP) system.

Espace Maison

- Accommodated electric vehicle (EV) charging stations at its Forbach and Tamarin shops, available for public use to charge their electric/hybrid vehicles.
- Transitioned from diesel to electricity to power a portion of its forklift fleet to minimise impacts of emissions on human health within warehouses.

Gros Cailloux

- Accommodated public electric vehicle (EV) charging stations at Gros Cailloux.

PERFORMANCE

Natural Capital



WASTE MANAGEMENT

UBP

- Systematically employs a structured four-step decision-making approach for the management of its end-of-life equipment. The steps are as follows:
 1. Initial efforts to refurbish the equipment.
 2. If the refurbishment proves unfeasible, the company proceeds with internal upcycling within the Group.
 3. In the event of unsuccessful upcycling, UBP endeavours to market the equipment and its components.
 4. If all prior measures prove unsuccessful, the equipment is sold as scrap metal.
- Continued to recycle the water used to wash aggregates, employing a water treatment process featuring a settling pond.

Premix

- In light of the prolonged heavy rainfalls, which impeded operations and exacerbated product wastage, Premix saw the need for greater organisational resilience and better preparedness for extreme weather conditions. Measures being considered include the synergistic repurposing of excess or unused concrete, and utilising it as a resource in the production of precast elements and partnerships with other companies to devise strategies for value-added material storage and utilisation.
- Initiated a structured waste management programme to optimise waste management from both a revenue-generation and environmental management perspective. The aim is to transform the existing practice, which entails placing waste material as sludge into decantation basins, occasionally repurposed by builders for backfilling. The new waste management programme focuses on extracting higher value from waste material, including sludge, by setting up bins and reusable moulds for activities such as block-making. This comprehensive approach is expected to be operational in FY2024, and largely contributes to our circularity endeavours.

Drymix

- Actively tackles the environmental impact of imported paper bags, which typically contain plastic coatings that undermine recycling efforts. To this end, Drymix is:
 - Collaborating with suppliers to explore recycled or biodegradable plastic alternatives for more eco-friendly packaging.
 - Integrating a quality management programme that supports waste minimisation.
 - Optimising and monitoring the use of returned wooden pallets through repair, reuse, donations, and potential conversions to biomass, aiming to minimise waste and enhance sustainability.
 - Monitoring waste generated through detailed reports generated by its ERP system.

Espace Maison

- Recycled 1.4 tonnes of products in FY2023 under the 'Geste vert' programme, which entails the collection of and recycling of products including plastic, used batteries, light bulbs and cartons.
- Achieved zero chemical fertilisers in its shops as part of its efforts to eliminate chemical fertilisers and pesticides from its stores. Espace Maison now only sells organic fertilisers, while transitioning to organic pesticides and herbicides.
- Launched a charcoal briquette made from reused material.

Gros Cailloux

- Gros Cailloux generates substantial green waste and used plastic annually, with general waste collected by local authorities and green waste disposed of on site. However, the absence of a waste management policy has prevented waste volume from being measured. In response, Gros Cailloux is working to establish a comprehensive waste management policy by FY2025, involving monitoring, sorting and recycling. Plans include recycling plastic pots and using green waste to produce compost and other by-products.
- Set up a Waste Management Committee to raise awareness among stakeholders on the impact of the company's waste and the importance of sorting.
- The Nursery initiated a plastic waste-sorting initiative, in light of the sale of around 400,000 plastic potted plants yearly. Waste is collected by Surfrider Co. Ltd. for recycling.
- Vegetable waste generated at Gros Cailloux is given to the Leisure department - fully leveraging the synergies within the company - as well as to local animal breeders of the region as animal feed, promoting circularity.
- Regenerates soil for agriculture through the 'SMART AGRICULTURE' initiative, under the Mauritius Chamber of Agriculture, with external expertise from CIRAD (Centre de coopération Internationale en Recherche Agronomique pour le Développement).



Further reading: Project #1



OTHER AD HOC ACTIONS

Espace Maison

- In line with the Group's efforts to support the local economy, Espace Maison continued to implement a policy of sourcing local products through local suppliers, as far as possible.

Gros Cailloux

- Generated value directly through its natural capital by fostering environmental consciousness among visitors via nature-centred activities, including forest walks and bee school programmes. It also generated value through its landscaping activities by planting 1,180 perennial trees (flowering and palm trees) ranging from 45 L to 150 L pots and open-ground trees. A surface covering over 10,620 m² was planted with perennial trees across the island.

PERFORMANCE

Natural Capital

Key Projects and Innovations

#1 GROS CAILLOUX - SMART AGRICULTURE

Context

In light of increasing environmental challenges and global uncertainties, which have been leading to food shortages and vulnerabilities, Gros Cailloux recognises that a robust and resilient food supply chain stands out as an essential pillar of a nation's wellbeing.



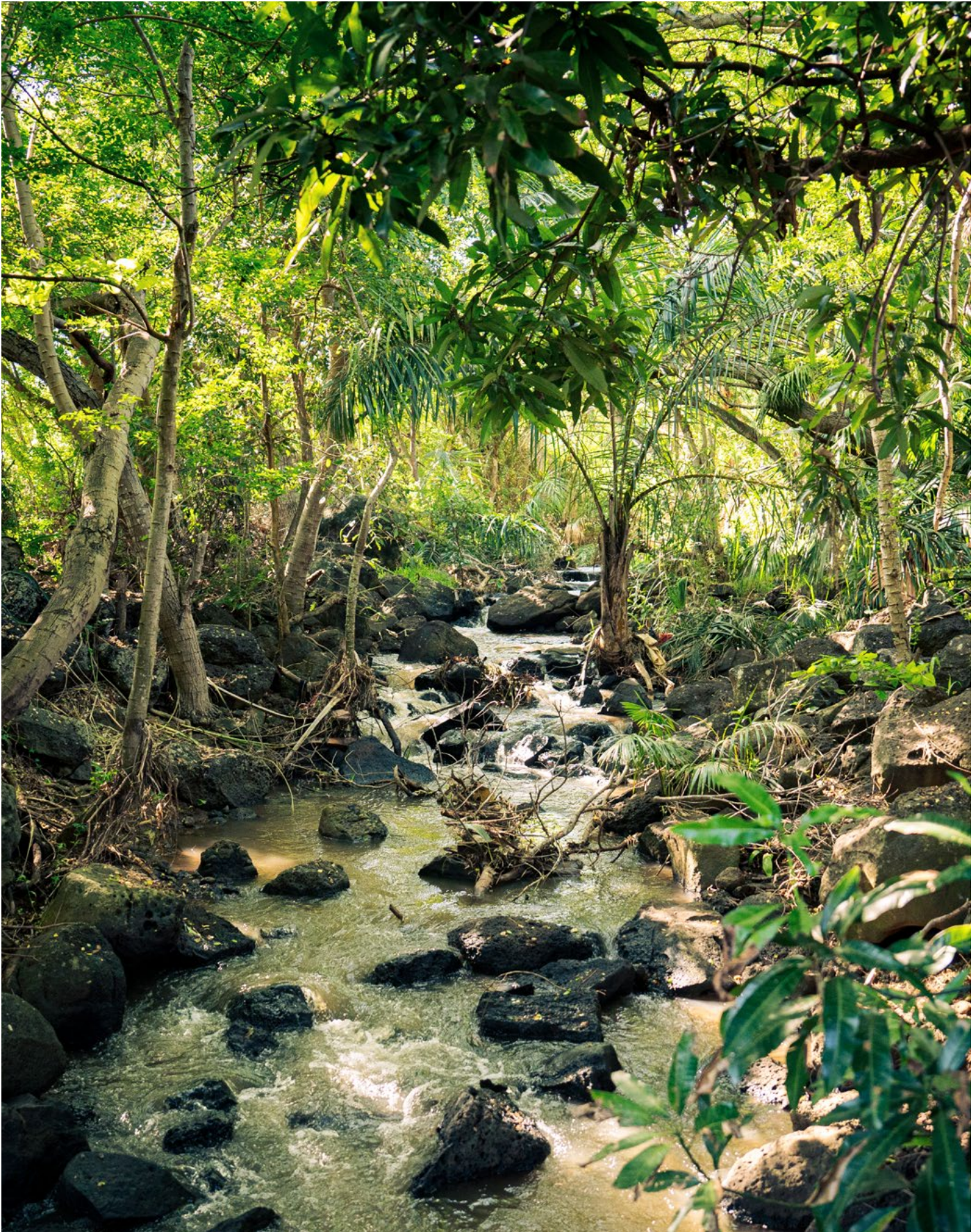
Response

Gros Cailloux has made a steadfast commitment to sustainable agricultural practices, with one compelling vision in mind: the rejuvenation of its soils to ensure the sustainability of food production, and therefore, the food security of the nation.

This commitment is exemplified through Gros Cailloux's collaboration with the 'SMART AGRICULTURE' initiative, operating under the auspices of the Mauritius Chamber of Agriculture. The collaboration began in 2018 and will be pursued until the end of 2023. In partnership with and with valuable support from the international experts at CIRAD (Centre de coopération Internationale en Recherche Agronomique pour le Développement), Gros Cailloux adheres to the foundational principles of sustainable agriculture: environmental stewardship, economic viability and social equity.

Through meticulous crop rotation, the construction of land-conserving waterways and the implementation of cover crops, Gros Cailloux is committed to a holistic approach to the gradual restoration of soil fertility. This strategy not only bolsters agricultural productivity and improves soil health, but also mitigates the adverse impacts of soil erosion during heavy rainfall events and contributes to critical habitat preservation and enhanced water quality.

In doing so, Gros Cailloux is safeguarding the long-term viability of its own business operations, while also making a profound contribution to broader society and ecosystems, thus sowing the seeds for a more resilient and prosperous future for all.



PERFORMANCE

Human Capital

Human Capital comprises the skills, knowledge, experience, and motivation of people within an organisation.

Key numbers across the Group

Total workforce in Mauritius and Rodrigues:

1,537 (↑ 16)

Baby boomers:

143 (↓ 22)

Gen X:

537 (↓ 4)

Gen Y:

610 (↑ 1)

Gen Z:

247 (↑ 41)

Gender Distribution

F: Female

M: Male

Group

Female (F): 22% Male (M): 78%
(Same as FY2022)

UBP

F: 14% M: 86%

Premix

F: 8% M: 92%

Gros Cailloux

F: 48% M: 52%

Drymix

F: 9% M: 91%

Espace Maison

F: 44% M: 56%

LEARNING AND DEVELOPMENT

Number of employees trained

1,195 (↓ **221**)

Number of training hours provided

2,203 (↑ **925**)

Training investment (Rs million)

7.9 (↑ **1.3**)

HEALTH AND SAFETY

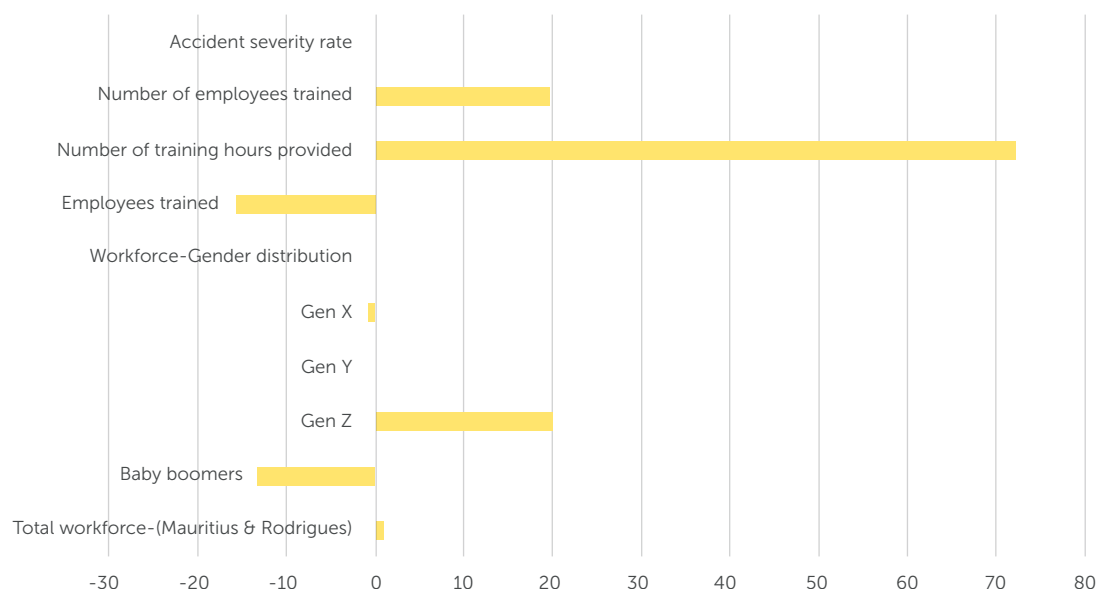
Accident severity rate

0.2 (Same as FY2022)

Strategic management of this capital

The Group's strategy is to provide adequate support and incentives to employees to boost their engagement, productivity and wellbeing. We also actively encourage innovation and promote career development, while crafting and implementing talent management and succession planning.

PERCENTAGE DIFFERENCE BETWEEN FY2022 AND FY2023



PERFORMANCE

Human Capital

Highlights for FY2023

GROUP-LEVEL

- Decrease of 13% in the proportion of Baby boomers and increase of 20% in the proportion of Generation Z, signalling the increased need to ensure proper training, particularly for onboarding and succession planning.
- Increase of 70% in training hours and increase of 20% in training investment as part of the Group’s focus on constantly transforming to be in a state of readiness.

 Further reading: Project #1

INDIVIDUAL COMPANY CHALLENGES AND MITIGATION STRATEGIES

Company	Potential adverse impacts	Measures to reduce impact and create sustainable value
Espace Maison	Post-pandemic employee attrition adversely impacted the company workforce	Espace Maison held an employee-centric focus group, which led to measures for employee happiness

OTHER ACTIONS TO PRESERVE AND CREATE VALUE

 **SUPPORT AND INCENTIVES TO EMPLOYEES**

Espace Maison

- Increased minimum wage, surpassing national levels, as well as an attendance bonus. These actions were implemented in response to high rates of employee attrition, which is a global phenomenon characterising the post-pandemic landscape.
- Developed an action plan heavily emphasising work-life balance, scheduled for implementation in FY2024.

 Further reading: Project #2



HEALTH AND SAFETY

UBP Group

- Following the recent amendments to the current Occupational Safety and Health Act (OSHA) legislation which will be proclaimed in due course, the Group is developing an agile framework that will allow it to be ready and transparently meet its legal obligations.
- Digitised and centralised the Group's Health & Safety (HSE) information, including permits and documents, to streamline access, collaboration and efficiency. This transition fosters real-time information exchange, and significantly improves HSE process operations and communication.
- Recognising the inextricable link between HSE and environmental health, the Group oversees an external service provider to carry out monthly audits of its sites, and monitor noise and environmental factors such as air quality.
- Embedded the DMAIC (Define, Measure, Analyse, Improve, Control) tool within its HSE approach for a more structured and systematic methodology to address challenges. This comprehensive, data-driven strategy is expected to enhance HSE and environmental health outcomes across all the Group's operations.
- Like many other industries, UBP Group's workforce is following the same trend as Mauritius' ageing population. Aligned with its philosophy to be in a constant state of readiness, the Group is tailoring its HSE approach, including the intensification of its health surveillance activities to ensure its workforce remains optimally skilled as it ages.
- Adopted a structured project management approach towards HSE issues, including monthly inspections of sites and addressing any challenges through a rigorous, time-bound process which involves assessment of the issue and implementation of remedial actions in collaboration with management.
- HSE oversight includes an HSE Manager and a dedicated team of HSE Officers.

Premix

- Proactively implements a safety checklist system. Dedicated staff attend to safety matters for equipment such as guard rails and trucks on all of its sites, as a prerequisite for operations to commence. In addition, the hiring process for drivers includes competency tests, regardless of seniority and verifications of permits to work. This approach ensures that operations remain safe within a health and safety framework that is effective and impact-focused. Premix is conscious of the unique challenges facing the construction sector and fosters equal employment opportunities, while remaining sensitive to discrimination issues via an open-door policy on such matters.

Drymix

- Adopted a proactive approach to managing its human capital by hiring an HR Manager. In addition to adhering to UBP Group's overarching H&S measures, such as regular risk assessments and mandated processes like H&S committee meetings, Drymix has other robust policies in place, such as annual full blood tests for all its employees and mandatory lung examinations for welding staff, twice per year.

Gros Cailloux

- Has a dedicated occupational H&S management system that includes a full-time Health, Safety, and Environment Officer stationed at Gros Cailloux, whose responsibility is to ensure that OSHA is enforced.
- Reassessed its H&S procedures to effectively align them with the upcoming OSHA amendments.
- Carried out regular medical checkups to maintain the workforce in good health, especially those working with chemical products.
- Continued to enrich and upskill its human capital by training existing employees in fields beyond their roles/job descriptions to promote versatility and enable the smaller teams and the company as a whole to be agile, ready and resilient in the face of changes.
- Provided staff with access to training on how sustainability can help the company increase its market share. This will also contribute to strengthening the sustainability-driven culture within the company.

PERFORMANCE

Human Capital

Key Projects and Innovations

#1 UBP (IMPACTS ALL COMPANIES) - THE PATH



Context

UBP's businesses are at risk of a shortage of skilled labour, due to increasing local and global competition, coupled with the ongoing retirement of the Baby boomer generation. While Generation Z is making up a larger proportion of the Group's workforce, younger generations typically have different expectations of what job satisfaction means and are generally more likely to change jobs than previous generations. The younger workforce also perceives the construction industry as being 'unattractive'. The post-pandemic landscape and associated increased global attrition rates have exacerbated this challenge, with employers having to be increasingly creative to meet talent demands. Against this backdrop, retaining and upskilling its existing employees, and attracting new talents, is key to the Group's long-term sustainability.

Response

In May 2023, UBP launched **The Path** initiative, with the objective to foster employee development throughout their entire career within the Group. It is also a registered training centre with the Mauritius Qualifications Authority. **The Path** was designed to be one of the main tools for realising the Group's strategic objective by helping to break down silos and achieve the Group's overarching goal of always being ready as an integrated entity.

Beyond a training programme, **The Path** offers a strategic framework designed around organisational development - organisational culture, capability, values and relationships - as a means to drive the desired behaviours and performance. This ensures that the Group hones the collective skills and knowledge necessary to remain adaptable and in a state of constant readiness in the face of challenges.

The Path is split into three sub-paths, namely:

- **The Learner Path:** accessible to all employees and covering themes like Engagement, Leadership, Technical Skills and more. It combines internal and external training, aligned with individual and departmental needs.
- **The Talent Path:** focuses on talent management, recognising exceptional performance and growth potential across all employee levels. It involves tailored development plans for High Professionals and High Potentials.
- **The Knowledge Path:** imparts specialised expertise through training sessions, sharing decades of experience. This mainly concerns UBP for the time being.

A cornerstone of the framework is that participants are empowered to choose their own path, not only aligned with their career aspirations and personal development goals, but also directly aligned with organisational objectives, such as realising Group synergies, adopting an integrated and holistic approach, embedding a sustainability mindset and generating value for stakeholders. Employees are guided by a combination of counselling and optimal development paths and tools, enabling them to master their current roles, while also mapping a trajectory for them to fill potential future roles within the Group.

Achievements in FY2024

- Assessment of organisational needs
 - Ongoing training and development needs: Development needs were discussed at strategic levels with top management, resulting in a clear path set out for employees and teams, aligned with organisational objectives.
 - Continuation of Service Excellence[1] Culture: In 2021, the Group embarked on a journey of Service Excellence, aimed at building an uplifting service culture by delivering exceptional service, exceeding internal partner/external customer expectations, and building long-term customer loyalty. This initiative aims to help employees fully embrace a 'be of service' mindset and 'go above and beyond' mentality so as to deeply embed service excellence into the organisational culture. As of June 2023, the initiative has produced 10 Service Workshop Leaders and 98 Service Champions.
- Clear vision and mission of **The Path**: A vision and mission were defined and shared across the Group. The vision outlines the initiative's objective through training and development, and its mission provides a roadmap of how we intend to get there while also ensuring alignment with the Group's overall goals.
- 'Enn Roupi Profi' ('One Rupee of Profit'): **The Path** played a contributing role in building a profit-generating mindset at Gros Cailloux through a team alignment workshop. This resulted in Gros Cailloux achieving its objective of generating profits after several years of losses. Building on the success of this initiative, FY2024 will centre on a new mission: 'Sak Roupi Konté' ('Every Rupee Matters').
- Tailored training programmes: Several tailored training programmes were conducted by **The Path**, based on a needs assessment and integrating the unique development matrix[2]. These training programmes were delivered in different formats considering the 70:20:10[3] learning model, which combines workshops, seminars, on-the-job training, etc.
 - The 'Speaking with Impact' masterclass was held, with plans to make it a recurrent annual programme.
 - Team alignment workshops were completed for specific teams, aiming to unify them around common goals and improve collaboration.
 - Ongoing team coaching support was provided for the Premix management team.
 - The 'Train the Workplace Trainer' sessions kicked off, designed to empower individuals across the Group, including staff and operatives with specialised knowledge and expertise, to become internal trainers and facilitators. Through this programme, they are equipped to support the seamless transfer of knowledge and know-how within the organisation, fostering a culture of continuous learning. A second batch of sessions is planned for FY2024.
 - The 'Integrated People Development' programme was launched in April 2023, targeting HR Teams and Managers.
 - Annual Group conferences were hosted, including the most recent one featuring astronaut Jean François Clervoy, to inspire our learners.
 - Operatives development programme: This programme was designed for operatives of UBP production.
 - Sustainability programmes (i.e. *La Fresque du Climat*): This workshop aims to raise awareness on the causes and effects of climate change and on how to mitigate them: Workshops were held for General Managers, management teams and employees' children.

PERFORMANCE

Human Capital

Actions planned for FY2024:

- Continuation of Service Excellence Culture: The strategy is to further embed the service excellence culture into the Group's processes and DNA.
- Training of leaders and champions: The Group is committed to training a greater number of leaders and champions at all levels across the entire organisation to enhance our capabilities and be future-ready.
- Service-conscious individuals: A new category of employees, known as 'service-conscious individuals' will be introduced in the Group. These employees will possess a deep understanding of the common service language, enabling them to provide superior service and support to the Group's customers and clients.
- Tailored training programmes:
 - A Sales Training Programme will be implemented, involving internal and external trainers, alongside the introduction of a holistic sales capability framework.
 - Under the 'Solutions Grises programme', training will be given to the sales teams of UBP, Premix and Drymix, focusing on building a solid foundation of the products to develop a solution provider mindset. Ultimately, the aim is to foster greater collaboration between the teams of each company and offer a cohesive, integrated service to clients to position UBP Group as a one-stop solution provider. The programme will eventually be extended to Espace Maison and Gros Cailloux.
 - Sustainability programmes: As from March 2024, sustainability workshops will be carried out to create awareness on potential actions to be taken across the Group to support the Group's contributions towards the UN's Sustainable Development Goals, with a focus on climate change.
 - Health, Safety and Environment internal programmes: Several trainings are planned to deepen the HSE culture.
 - Life coaching sessions: As from September 2023, coaching sessions will be organised across the Group, focusing on the wellbeing of employees using sophrology, which is a holistic mind-body practice that aims to promote wellbeing, reduce stress and enhance personal development.
- Recognition and appreciation: Employees who actively engage in training and skill enhancement will be recognised to encourage employees to take ownership of their development and seek further opportunities for growth.

**Want to know about The Path?
Scan the QR Code or follow this link**

[CLICK HERE FOR THE VIDEO](#)



- [1] Service Excellence goes beyond customer service, it is an attitude, even a way of life, often manifested through simple gestures that add value for the people we interact with. It is primarily about making a deliberate extra effort for others.**
- [2] This matrix is a methodology that identifies which competencies are required and need to be developed. The matrix comprises five pillars - Connect, Exchange, Inspire, Empower, Grow - and aims to foster a culture of continuous learning within the Group.**
- [3] 70:20:10 model is a learning approach that signifies that 70% of the learning is from job-related experiences; 20% of the learning is from collaborations and interactions with others; and 10% is from structured events (i.e. classroom-style courses, workshops, seminars...)**

#2 ESPACE MAISON-“HOW TO MAKE OUR PEOPLE HAPPY”

Context

Espace Maison’s initiative is set within the same context as the previous innovation, characterised by the global phenomenon of post-pandemic employee attrition, which particularly affected the retail industry.

Response

Fully recognising the importance of retaining its skilled and engaged workforce, Espace Maison took proactive steps to enhance its human capital during the year. This led to the initiation of a comprehensive focus group involving 150 employees.

The focus group, aptly named “How to make our people happy”, served as a platform for employees to voice out their needs, expectations and feelings, with a primary focus on improving job satisfaction and retention rates. Employee feedback played a pivotal role in shaping Espace Maison’s human capital approach.

Following the focus group, Espace Maison implemented several measures to boost employee happiness and retention:

- Initiation of a proactive raise in the minimum wage, surpassing national standards. This measure not only underlines Espace Maison’s commitment to fair compensation, but also serves as recognition of the dedication and hard work exhibited by its workforce.
- Introduction of an attendance bonus, providing employees with further incentives for their commitment and regular attendance. Employee feedback revealed that these initiatives were met with gratitude.

156 employees received the attendance bonus in August 2023, 135 employees benefitted from an increase in their minimum salary

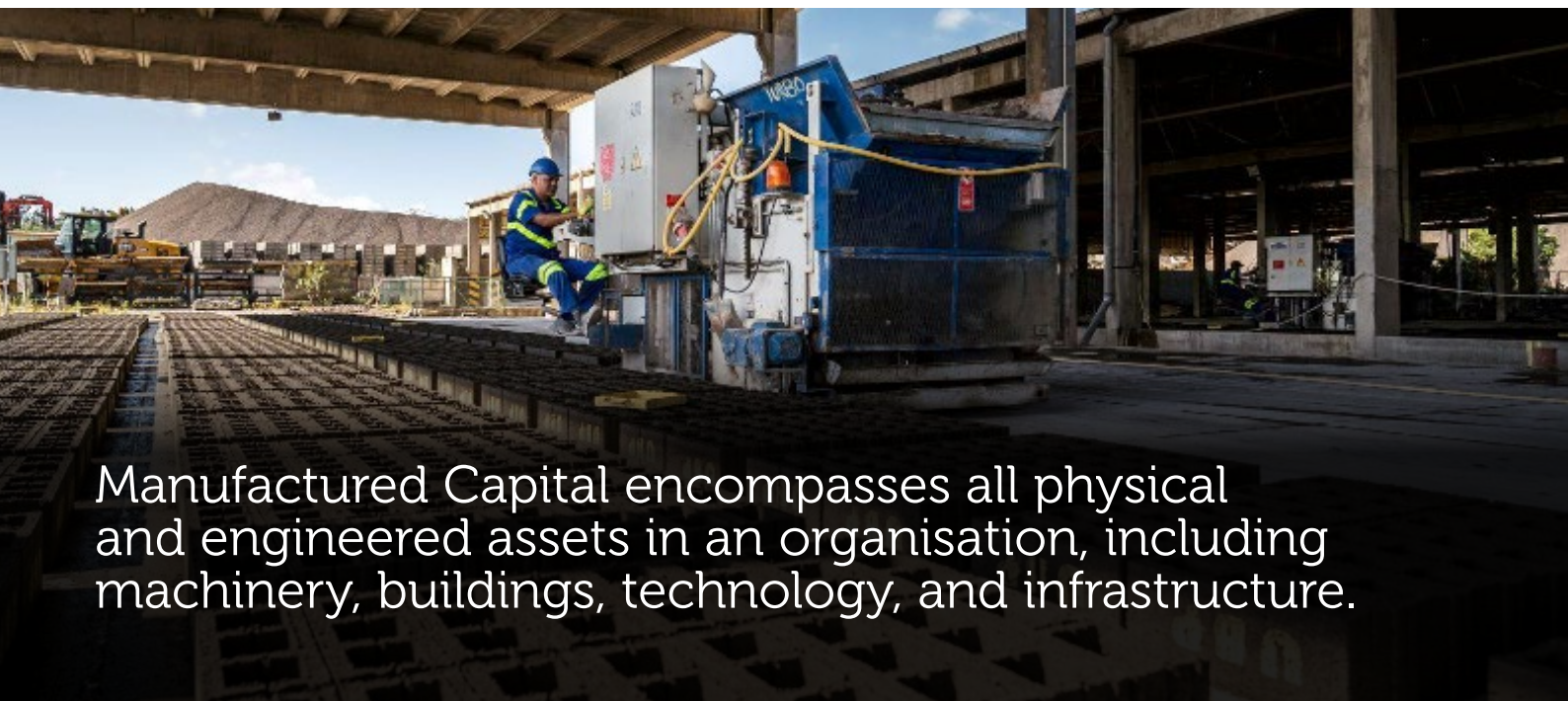
It is worth noting that even employees not directly affected by these measures received an increment, reflecting Espace Maison’s commitment to equitable treatment. Additional focus groups are in progress, aiming to gather more relevant feedback and enhance the overall level of happiness and job satisfaction within the organisation.

The focus group outcomes also serve as the foundation for a comprehensive action plan set to be implemented in FY2024. This plan will strongly emphasise work-life balance, recognising that employee wellbeing extends beyond financial incentives.



PERFORMANCE

Manufactured Capital



Manufactured Capital encompasses all physical and engineered assets in an organisation, including machinery, buildings, technology, and infrastructure.

Key numbers across the Group

Boulders crushed (tonnes):

(↑ 0.8%)

Precast slabs sold (m²):

(↓ 14.7%)

Plants sold (units):

(↑ 10.3%)

Cement consumed (tonnes):

(↑ 16.8%)

Beams sold (m²):

>1,000%

Landscapes created (Rs million):

(↑ 18.2%)

Aggregates sold (tonnes):

(↑ 4.4%)

Concrete sold (tonnes):

(↑ 7.8%)

Fertilisers (tonnes/ha):

(↓ 18.8%)

Blocks sold (units):

(↓ 7.4%)

Dry mortar sold (tonnes):

(↑ 3.3%)

Herbicides (tonnes/ha):

(Same as FY 2022)

Vegetables produced (tonnes):

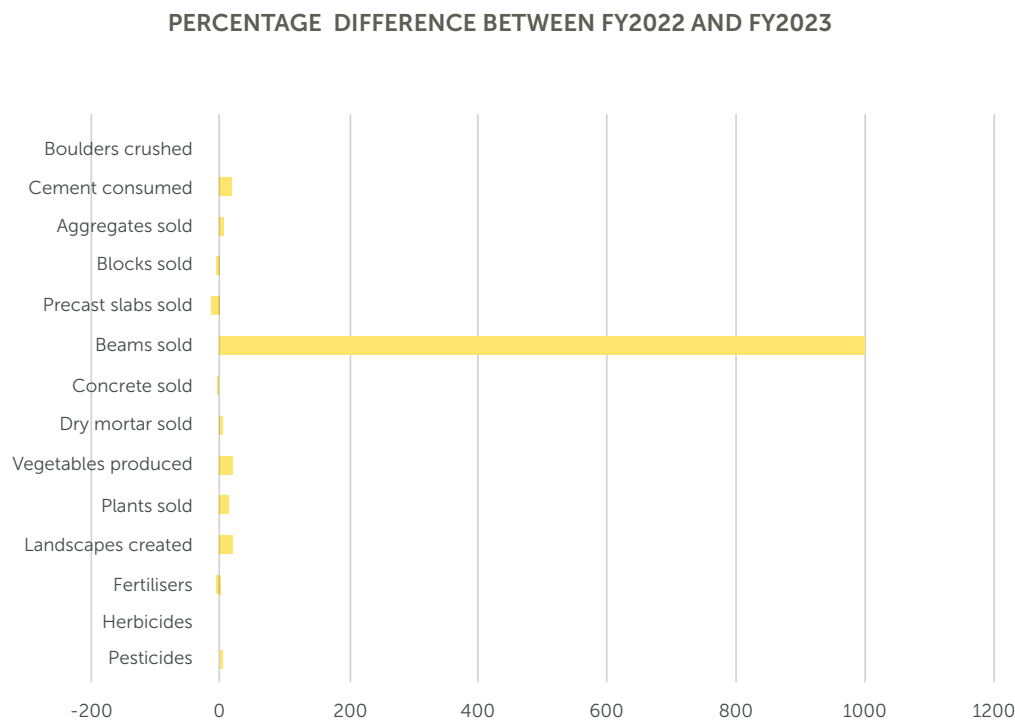
(↑ 18%)

Pesticides (tonnes/ha):

(↑ 11.9%)

Strategic management of this capital

Our approach involves capitalising on existing assets, introducing innovative products and technologies, streamlining processes and teams, as well as managing stocks and suppliers for efficient, impact-focused operations, and mutualising shareable assets to maximise synergies and resource utilisation.



Highlights for FY2023

GROUP-LEVEL

- Increase of 16.8% in use of cement for operations
- Decrease of 35.4% in sales of smart blocks
- Increase of >1,000% in sales of beams related to a major construction project

PERFORMANCE

Manufactured Capital

INDIVIDUAL COMPANY CHALLENGES AND MITIGATION STRATEGIES

Company	Potential adverse impacts	Measures to reduce impact and create sustainable value
UBP	Supply chain price fluctuations impact the company's performance	The company is looking into alternative approaches, including assessing the suitability of using brands other than premium ones
Premix	Lack of integration of environmental criteria in equipment procurement	The company remains in a state of readiness should market conditions and realities change

OTHER ACTIONS TO PRESERVE AND CREATE VALUE



OPTIMISATION OF OPERATIONS AND ASSET MANAGEMENT

UBP

- Rs 205.5 million invested in new equipment for our production and laboratory functions.
- Closely monitored the average daily output of its sites, with the objective of raising efficiency by 5% as per its ongoing action plan.
- Implemented a Supervisory Control and Data Acquisition (SCADA) system at St Julien site to provide real-time data, allowing the company to make informed decisions swiftly and effectively. In addition, the system offers enhanced operational visibility and remote access, contributing to operational efficiency. The benefits of this innovative system will be assessed comprehensively during the FY 2024, as the company strives to continually improve and optimise its operations.

 Further reading: Project #1

- Created a new department and adopted a mix of buying and leasing vehicles to manage its fleet more effectively, including vehicle idling time, cost control, flexibility and resource allocation, and to better meet operational and financial goals.
- In view of supply chain challenges and price fluctuations, the company has re-evaluated the use of premium brands and explored adequate alternatives.

Premix

- The company was not able to integrate environmental considerations into its equipment procurement processes in order to remain competitive compared to the rest of the market. That said, Premix remains agile and ready to adapt to changing market conditions and realities.

Drymix

- Reprocessed unsold finished products that have been in stock for over a year, to optimise throughputs.
- Provided training related to the optimisation of its operations to its management teams followed by practical implementation of this training.
- Drymix uses a basic mortar (CREPIFIX) that has a lower environmental impact compared to other traditional rendering mortars. This is because its formulation contains approximately 50% less cement than traditional in situ mortars, due to the substitution of the cement paste by biodegradable food grade cellulose based polymers.

Espace Maison

- UBP invested Rs 175 million for the refurbishment and extension of its building in Cap Tamarin (scheduled for completion by the end of 2023) and Espace Maison invested Rs 30 million for the interior design.
- 20-40% expected purchase cost savings in the FY 2024 and beyond resulting from a change in sourcing strategy. Espace Maison approaches suppliers directly, as opposed to interacting with middlemen. Besides saving on costs, this also enabled Espace Maison to exert more creative control on the presentation of products within its stores, and to be more directly exposed to environmentally friendly products available for the company to potentially market.



Further reading: Project #2

Gros Cailloux

- Purchased new equipment in January 2023 to enhance operational efficiency.
- Sold equipment no longer serving their intended purpose, based on an evaluation and remaining depreciation value.
- Rs 2.8 million invested in nursery infrastructure to increase production capacity. The company plans to invest Rs 14.5 million in new equipment and improved infrastructure in FY2024 for enhanced production, process automation and security reinforcement.



PREVENTATIVE MAINTENANCE

Drymix

- Ensures that its production equipment remains in service as long as possible to foster sustainability, in line with its policies:
 - The equipment renewal policy involves strategically amortising the cost of new production equipment over a 10-year period. After five years, mortar pumps are phased out and placed on standby, serving for marketing purposes of the service and as valuable spares. This practice optimises efficiency, but also curtails equipment waste to foster responsible resource utilisation and circularity.
 - Robust maintenance management is a cornerstone of its strategy. The company's policy emphasises preventative maintenance to effectively meet manufacturing standards. The addition of specialised expertise, such as a new factory manager, has facilitated meeting these standards, leading to decreased equipment maintenance costs and heightened operational efficiency.
 - Conducted monthly preventative maintenance stops for the production plant.

PERFORMANCE

Manufactured Capital

Key Projects and Innovations

#1 UBP - SCADA SYSTEM (ST JULIEN)

Context

In today's fast-paced business landscape, characterised by rapid technological advances, intense competition and skyrocketing costs, businesses are under immense pressure to improve their operational performance. In the construction industry, in particular, any minor issue encountered in a large-scale project can quickly escalate into a major problem, costing the company millions and with possible adverse impacts for human health and safety. In this context, the need for greater agility, oversight, adaptability and efficiency is critical.

Response

Well before the pandemic, UBP has been cognisant of the need for the integration of innovative technologies, automated systems, and the digitalisation of our operating processes. It also embarked on a deep reflection around how to harness its data for better analysis and forecasting, which led to the decision for more structured data retrieval and reporting. As part of our commitment to innovation, our Production and Engineering departments are pooling their resources and ideas to drive the automation and digitalisation of our aggregates and block-making processes. These digitisation projects now stand as one of UBP's primary objectives, and are poised to revolutionise our business models, streamline our operational processes, and open up exciting avenues for revenue generation and value creation.

Our journey into automation began in 2019 with the initiation of the Automated Block-Making and Concrete-Mixing Project at UBP Geoffroy. Since then, we have progressively implemented automation across most of our sites. As of 2022, UBP has embarked on multiple automation projects within our aggregate production processes, beginning with the transformation of UBP St. Julien, where a Supervisory Control and Data Acquisition (SCADA) system has been implemented to provide real-time data, allowing the company to make informed decisions swiftly, while allowing for fewer glitches, reduced downtime on projects and lower costs in the long term. In addition, the system offers enhanced operational visibility and remote access. The outcomes of this innovative system will be assessed comprehensively during FY2024.

Building on the momentum, UBP is on a path to gradually automate all its major production sites. Ultimately, our vision is to have every UBP site fully automated and digitalised, positioning us at the forefront of industry innovation.

#2 ESPACE MAISON - ELIMINATING THE MIDDLEMAN

Context

Like many retailers, Espace Maison found itself at the heart of the pandemic and ensuing cost-of-living crisis. The dual effects of reduced household spending and higher import costs translated into higher operating costs for Espace Maison. In a bid to navigate these challenges, Espace Maison sought to rethink its supply chain strategy, including its sourcing, procurement and inventory management practices.

Response

During FY2023, Espace Maison embarked on a strategic project named "Eliminating the middleman", which, as the name suggests, entailed bypassing certain intermediaries in its supply chain and thus eliminating the 'shop in shop' concept for selected products. This project marked a significant shift in Espace Maison's approach to sourcing and product presentation, not only saving valuable financial resources for the company, but also streamlining the procurement process.

Another key advantage of this new approach was Espace Maison's increased exposure to suppliers, resulting in more opportunities for collaboration and access to a broader range of products. The company found itself in closer proximity to eco-friendly products, better alignment with contemporary consumer preferences for sustainability, and in a position to seize further business opportunities.

Moreover, the transformation of Espace Maison's sourcing strategy allowed it to exercise greater creative control over how products were presented within its stores, enhancing the overall shopping experience for customers and strengthening the individuality of the Espace Maison brand.

From a financial perspective, this revised approach began yielding substantial cost savings in the purchasing processes. The initiative will reach its peak in FY2024 and enable Espace Maison to attain its objective of reducing its cost of purchase by 20% to 40%.



OUR PERFORMANCE

Intellectual Capital



Intellectual Capital consists of non-physical, knowledge-based assets, including organisational knowledge, systems, patents, copyrights, trademarks, and the intellectual property portfolio.

Key numbers across the Group

RESEARCH AND DEVELOPMENT

New trademark registration:

1

New product certification:

1 [E1]

New IT processes:

1 [E2]

Ongoing Research and Development projects:

>10

Academic partner:

1 (The University of Mauritius)

IT Headcount:

12

Number of website visitors:

UBP:

309,242

Espace Maison:

410,000

[E1]Pozbloc 0-4

[E2]Laboratory Information Management System

Number of Facebook likes and followers:

	FY 2022	FY 2023
UBP	28,000	32,479 likes and 33,788 followers
Premix	N/A	8,233 likes and 9,300 followers
Drymix	6,800	8,320 likes and 8,700 followers
Espace Maison	114,700	117,000 likes, 123,100 followers, 9,679 visitors on our Customer Engagement Platform
Gros Cailloux	30,900	32,000 likes and 34,000 followers

Number of Tiktok & Instagram likes and followers: FY 2023 – GROS CAILLOUX

GROS CAILLOUX



9,859 followers
29,800 likes

ESPACE JARDIN BY GROS CAILLOUX



5,136 followers
13,400 likes

GROS CAILLOUX



1,964 followers



Bloc à bancher (BaB)

PERFORMANCE

Intellectual Capital

Strategic management of this capital

Our approach involves building decision-making capacity, innovating and synchronising IT systems to foster synergies and efficiency, and protect our know-how. The Group's intangible assets have proven vital in maintaining our competitive advantage and brand reputation within our operating markets, prompting us to constantly pursue the improvement and protection of our processes, through trademarks and software systems, in different capacities within our companies. Several projects implemented during the year clearly showcase the Group's ability to align intellectual capital with operational goals.

Highlights for FY2023

GROUP-LEVEL

- Invested in the modernisation of IT systems in some companies of the Group, specifically using Business Central as the main Enterprise Resource Planning (ERP) systems. During FY2023, Premix and Drymix shifted to Business Central 22.
- Invested significantly in R&D, particularly through our advanced LIMS (Laboratory Information Management System) system, empowering us to innovate sustainable product recipes.
- The Group fully understands the importance of protecting our operations and intellectual assets, such as Drymix and Premix recipes, customer data from Espace Maison and other companies, as well as crucial financial information, against ever-evolving cyber threats. This is why the Group prioritises robust cybersecurity practices, using a holistic strategy ensuring that both digital and human assets remain resilient against these threats.
- Over the past year, we have spearheaded transformative enhancements in our company's network infrastructure, focusing particularly on bolstering cybersecurity measures. Our primary initiative involves the implementation of a cutting-edge Software-Defined Wide Area Network (SDWAN), revolutionizing the way we manage and optimise our network traffic. This strategic move not only enhances the overall performance of our network but also fortifies our defences against potential cybersecurity threats. Furthermore, we fortified our company's cybersecurity posture by integrating state-of-the-art Next-Generation Firewalls (NGFW), to fortify our network security architecture. These robust security solutions offer advanced threat intelligence and mitigation capabilities, enabling us to proactively identify and thwart sophisticated cyber threats and ensuring a proactive approach to cybersecurity. This comprehensive approach not only safeguards our sensitive data but also establishes a resilient foundation for future technological advancements. As a result, our network is now better equipped to handle the evolving landscape of cybersecurity risks, positioning our company at the forefront of secure and efficient network operations, ensuring the resilience and integrity of our company's digital assets.
- Increase of R&D budget from 1.3% to 2.5% of total revenue. Drymix, in particular, exemplifies the Group's commitment to Research and Development (R&D) in its quest for higher quality, more eco-friendly products. Every formulation, every digital safeguard, and every sustainable initiative is carefully considered to echo the Group's commitment to a more sustainable future for all our stakeholders, and to a legacy of excellence.



Further reading: Projects #1 and #4

INDIVIDUAL COMPANY CHALLENGES AND MITIGATION STRATEGIES

Company	Potential adverse impacts	Measures to reduce impact and create sustainable value
UBP Group	Increased connectivity inevitably translates into increased vulnerability to scams, phishing and other forms of cyber attacks.	The Group carried out increased employee awareness by constant communication, as well as increased investment in cybersecurity
Espace Maison	Increased connectivity inevitably translates into increased vulnerability to scams, phishing and other forms of cyber attacks.	The company disallowed WeChat on its network and invested in sim-only phones and processes to minimise security risks.

Key Projects and Innovations

DIGITAL TRANSFORMATION ACROSS THE GROUP

#1 SUSTAINABILITY AND R&D AT DRYMIX

Context

Sustainable development is a cornerstone of the Group's strategy. We are aware that our activities, by their nature, have an impact on the environment. This has prompted UBP to commit to leveraging its resources and expertise to drive a positive impact on the environment. Central to this objective is product innovation, which aims to improve the sustainability of existing products, or to design new ones that deliver environmental benefits.

Response

Drymix's recent innovations shine a light on our sustainability aspirations. Notable advancements include the new version of SCREED 04, which is a formula developed in our laboratory, and which offers greater workability and adaptability. The POZBLOC 04 recipe, which is currently under development, promises significant productivity enhancements, aiming for a commercial launch by October 2023. Meanwhile, innovations such as DURCISOL align with LEED rating systems help projects improve in terms of sustainability and earn LEED credits.

Taking a sustainable approach has tangible benefits. Our laboratory's initiative to measure and optimise its electricity consumption has resulted in monthly savings. Bolstered by this success, energy monitoring mechanisms have been extended across our factory, laying the groundwork for potential green energy solutions.

#2 UBP: ENHANCING CAPEX MANAGEMENT THROUGH DIGITAL INNOVATION

Context

The nature of UBP's business necessitates significant capital expenditure (CAPEX). The management of the CAPEX budget is an important annual process, also including the requests and subsequent chain of approvals. The traditional system, while effective, was somewhat falling short in realising potential synergies between departments.

PERFORMANCE

Intellectual Capital

Response

In FY2023, guided by our proactive leadership's vision, and the Group's culture of innovation and continuous improvement, a decision was made to enhance the CAPEX management process in a way that fosters seamless inter-departmental collaboration.

The introduction of a cutting-edge module into our ERP was a bold step forward. The new system offers a comprehensive and transparent view of every CAPEX request, ensuring that each proposal is thorough and facilitates informed decision-making. This system has successfully bridged the communication gap between departments – from procurement to finance and treasury – ensuring timely information-sharing and alignment among all stakeholders.

The system also allows for better communication between the operational team and management, saving precious time for all parties and creating a win-win situation: the operational team can now communicate directly with the concerned member of the team about the status of the CAPEX request and any issue being encountered, providing details that the approver may not have.

This new system has, in turn, freed our upper management's time, allowing them to focus more effectively on other priorities, whilst ensuring that the process and deadlines are met.

#3 PREMIX: LEVERAGING TECHNOLOGICAL SYSTEMS FOR OPTIMISED OPERATIONS

Context

Upon its full acquisition by UBP two years ago, Premix presented a unique operational conundrum. Unlike other products in the Group's portfolio, Premix's products has a remarkably short shelf life of three hours. The implications were clear: if the product isn't delivered within the three-hour window, it becomes unusable, leading to immediate loss.

Response

Understanding the intrinsic complexities of such a product, Premix undertook a series of systematic integrations to bolster efficiency and precision in the delivery process. The first step was the integration of a Lead Management System, through which every order taken from a customer is immediately digitalised, eliminating manual bottlenecks, and accelerating the order-to-delivery process.

This streamlined approach has allowed Premix to enhance its logistical planning. The company can now promptly determine which one of its five facilities will be optimal to fulfil a particular order. The system's capability extends beyond logistics. It also helps in identifying the precise mix of concrete required for specific applications, whether for the roof of a house, or specialised underwater constructions such as the extension of the Caudan Waterfront.

Premix's use of the SCADA (Supervisory Control And Data Acquisition) programme showcases its commitment to precision and quality. By automating the mixing process for various concrete types, based on distinct recipes, SCADA ensures the product's consistency and quality. The introduction of such a system has also had a tangible impact on the company's bottom line by dramatically reducing losses associated with mixing or time delays.

This strategic investment in a full ERP solution, coupled with SCADA's implementation, has not only enabled Premix to mitigate potential losses, but also positioned the company as a leader in efficiency and customer service.

#4 DRYMIX - R&D ADVANCEMENTS IN FORMULATIONS AND PROTECTION OF INTELLECTUAL CAPITAL

Context

Drymix operates in an ever-changing industry, where adherence to high quality standards is paramount, especially if it wishes to maintain its position as Mauritius' leading manufacturer of ready-to-use bagged mortar. The company's laboratory never stops innovating and engages in continuous improvement to ensure it remains aligned with the highest international standards.

Response

All R&D including formulations originating from Drymix's laboratory are some of the Group's most prized intellectual property assets, important tools for the company's growth that provide high tangible and intangible value for Drymix. Beyond this in-house ingenuity, Drymix continues to showcase its commitment to shared knowledge and innovation, for instance through its participation at the Drymix.info conference in Istanbul in 2023. Our collaboration with additive manufacturers serves as another testament to our dedication towards product evolution and marketplace distinction.

Our current certifications

- Drymix is certified ISO 9001: 2017
- Drymix laboratory is accredited ISO/IEC 17025:2017
- Two products, namely KAROFIX & KAROPRO, are manufactured under the licence of MAURICERT Certification Mark (Issued by MSB)
- Three products, namely KAROPRO, CREPIFIX 01 & DURCISOL, have undergone tests as per European standards in line with LEED rating systems.

Likewise, safeguarding our formulations in this digital age is paramount, and R&D is key to protecting the intellectual capital that forms the basis of our competitive advantage. Recognising the criticality of this endeavour, Drymix is championing the integration of advanced cybersecurity measures, leading to a strategic increase in our R&D budget. This budgetary expansion encompasses the protection of our intellectual assets, ensuring they remain shielded from potential threats.

#5 GROS CAILLOUX: BUSINESS INTELLIGENCE INTEGRATION FOR STRATEGIC COSTING

Context

Given the diversity of its activities, Gros Cailloux faced an intricate challenge: how to achieve precise costing across its business units and cost centres. The nature of its multifaceted operations, such as supplying plants to Espace Maison, demanded accurate cost allocation.

Response

Gros Cailloux embarked on a transformative journey to adopt the Business Central model in FY2023. This shift led to a comprehensive system overhaul, resulting in the establishment of new cost centres, departments, and a revamped chart of accounts.

A standout feature of this new system was the integration of a Business Intelligence (BI) module, which provided upper management with a bird's eye view of the business operations and financial intricacies. This holistic perspective facilitated agile and informed strategic decision-making, ensuring that the company operates with the most accurate product costing.

One notable application of this advanced system was seen in the management of the restaurant at Gros Cailloux. Upon analysing its costing through the new system, it was revealed that the restaurant's operations weren't as cost-effective as anticipated. This led to the prompt decision to lease the restaurant space to a third-party expert, which played a part in turning around the performance of Gros Cailloux.

PERFORMANCE

Social Capital



Social Capital represents the value derived from relationships and networks that an organisation has with its stakeholders, revolving around trust and engagement.

Key numbers across the Group

CSR spent on ongoing projects:
Rs. 1.0 million

CSR spent on new projects:
Rs. 1.0 million

CSR spend per theme:
Education:
29%

Socio-economic development:
44%

Environment & sustainable development:
7%

Exclusion:
20%

Extra Sponsorship:
Rs 2.0 million

Extra sponsorship per focus area:
Education:
6%

Sports:
31%

Poverty:
7%

Society:
15%

Culture:
21%

Sustainable development:
20%

Strategic management of this capital

As a Group, we are part of a large network of stakeholders and a community. It is with this in mind that we strive to build and uphold honourable relationships based on shared values, ethics and behaviours that are beneficial to all parties involved. To enhance this capital, we focus on creating a better living environment for people and communities, maintaining relationships of trust and goodwill, adapting to changing consumer patterns, and developing brand resilience.

Highlights in FY2023

GROUP-LEVEL

- 100% of the customers who provided feedback through the UBP Customer Care Centre rated our service as "Satisfactory" or "Very Satisfactory."

INDIVIDUAL COMPANY CHALLENGES AND MITIGATION STRATEGIES

Company	Potential adverse impacts	Measures to reduce impact and create sustainable value
Espace Maison	Changed the return policy in FY2023 and faced a backlash of complaints from customers.	In response to challenges arising from the change in return policy in FY2023, proactive measures were taken: All returns, after-sales service, warranty, and general conditions of sales policies were reviewed and enhanced for conciseness and clarity and made available online to the public for transparency. To improve accessibility, QR codes were added to ticket sales, providing customers with direct links to policies. The principles of returning products, however, have been retained.

OTHER ACTIONS TO PRESERVE AND CREATE VALUE



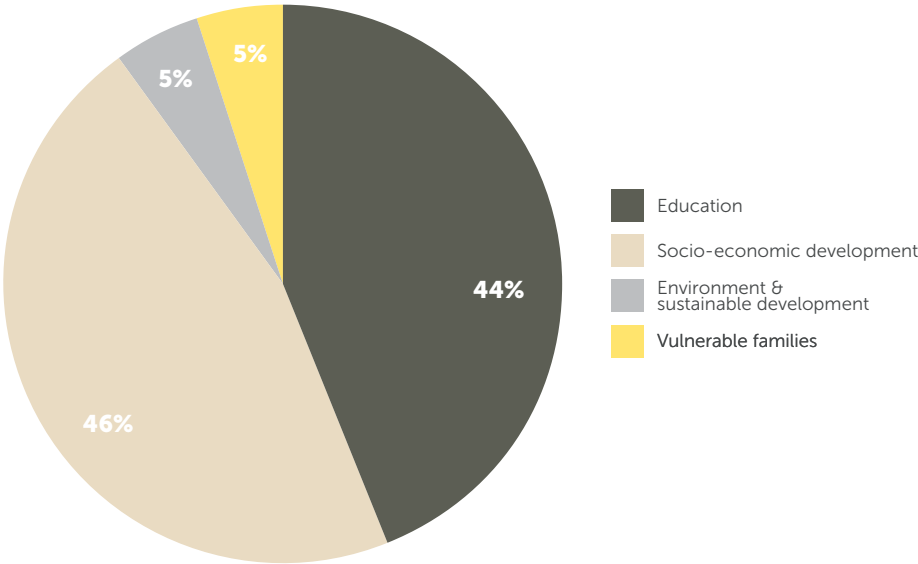
CSR ACTIVITIES

CSR	FY 2022	FY 2023
CSR spent on ongoing projects:	Rs 1.5m	Rs 1.0m
CSR spent on new projects:	Rs 1.5m	Rs 1.0m
Total CSR	Rs 3.0m	Rs 2.0m

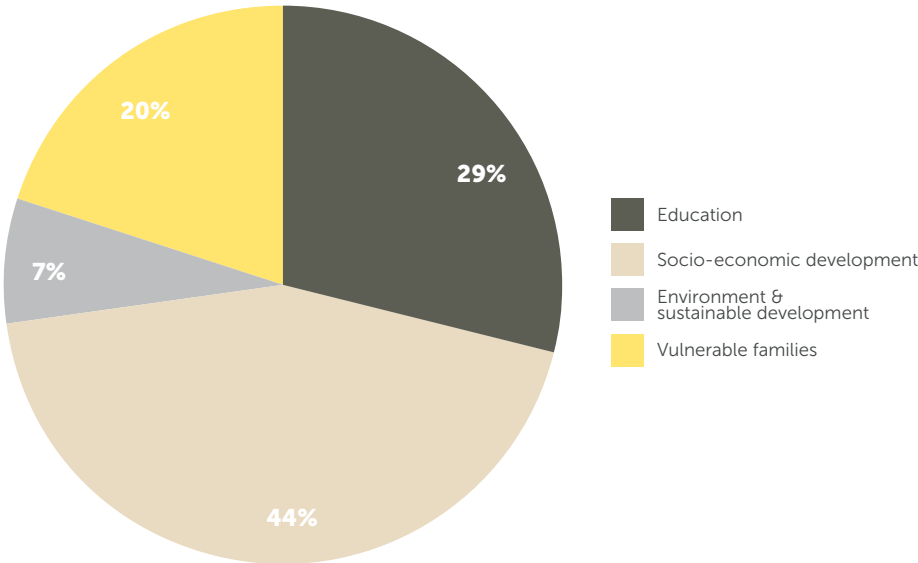
PERFORMANCE

Social Capital

CSR ALLOCATION FY 2022

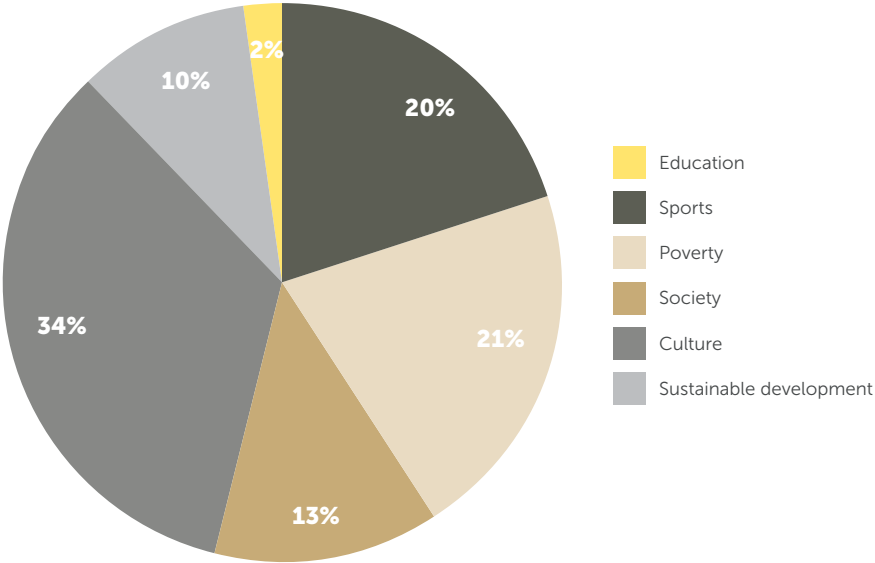


CSR ALLOCATION FY 2023

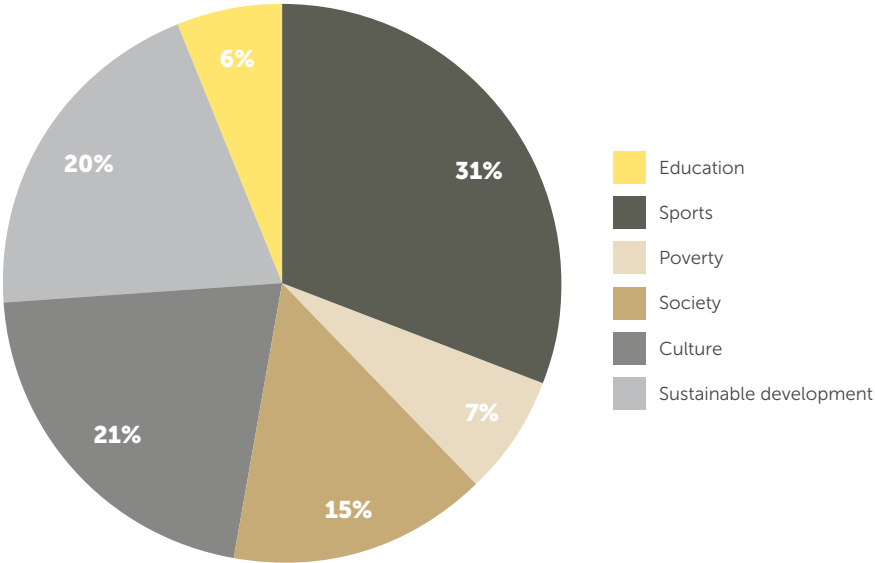


	FY 2022	FY 2023
Extra Sponshorship	Rs 2.4m	Rs 2.0m

EXTRA SPONSORSHIP ALLOCATION FY 2022



EXTRA SPONSORSHIP ALLOCATION FY 2023



PERFORMANCE

Social Capital

UBP Group's CSR approach

IN-HOUSE CSR PROGRAMME

At UBP, we understand that addressing societal challenges requires a comprehensive approach to ensure we have a positive impact on multiple fronts. In line with one of our key values, Commitment, UBP has built several meaningful partnerships with various NGOs over the years, through which we target key areas such as education, economic and social development.

Our dedication extends to the emotional wellbeing of children, the protection of nature reserves, plastic recycling projects, and sponsorship of families in need, among others, ensuring a positive impact both on the environment and on marginalised communities. Through these partnerships, we work towards fostering positive change and creating a more sustainable and inclusive future for all.

EXTERNAL PARTNERSHIP WITH FONDATION JOSEPH LAGESSE

Beyond our support of 10 NGOs in the above-mentioned fields, we also work closely with the Fondation Joseph Lagesse (FJL) in support of their projects, which fall under one of three programmes: Empowerment Programme, Literacy Programme and Rapid Response Programme. These programmes also align with the United Nations Sustainable Development Goals (SDGs), which the Group also supports.

EDUCATION

Partner NGO: Action for Integral Human Development (AIHD)

Project: Les Amis de Zippy



Through our enduring partnership with AIHD, we have steadfastly supported the implementation of the esteemed international school programme, Les Amis de Zippy. This programme is dedicated to promoting the emotional wellbeing and mental health of children attending public primary schools in Mauritius and Rodrigues.

Les Amis de Zippy focuses on equipping children between the ages of 5 and 7 with essential psychosocial skills, enabling them to effectively navigate daily challenges. It aims to foster empathy development, emotional regulation, conflict resolution, adaptation to changes and losses, as well as effective communication and active listening.

This programme incorporates multiple interventions, ensuring a holistic approach to nurturing the emotional and social growth of these children, including:

- National awareness campaign for the "Les Amis de Zippy" programme through video presentations for children in Grades 1, 2, and 3.
- Sessions to promote the wellbeing of school staff members.
- Sessions to promote positive parenting.
- Implementation of the "Les Amis de Zippy" programme in all 8 Special Education Needs (SEN) schools, targeting children with disabilities.

Partner NGO: Fondation Joseph Lagesse (FJL)

Project: Literacy Programme



UBP has long viewed education as a crucial factor in breaking the cycle of poverty, and has been working to equip vulnerable communities with essential literacy skills. Our support of this project firmly aligns with UBP's desire to improve employability prospects for vulnerable groups, which in turn helps reduce poverty levels.

In line with this commitment, we provided funding to FJL's Literacy Programme, which caters to both children and adults, focusing on enhancing their abilities in reading, writing, and arithmetic.

Partner NGO: SOS Children's Villages

Project: Alternative Care



We continued to support SOS Children's Villages, which extends compassionate care to children and young individuals who have lost parental support and those at risk of losing it. The alternative care programmes encompass both residential and non-residential care options, tailored to meet the unique needs of each child. The range of alternative care services includes:

- Providing love, care, and protection.
- Delivering essential psychosocial support through dedicated psychologists, social workers, and other professionals.
- Engaging in therapeutic activities to aid the healing process from past traumas, abuse, neglect, and abandonment.
- Ensuring access to quality education, vocational training, and fostering youth employability.
- Encouraging participation in developmental activities that empower and enrich the lives of these young individuals.

Partner NGO: Association de Parents d'Enfants Inadaptés de l'Ile Maurice (APEIM)

Project: Empowerment of persons with disabilities



We strive to create a more inclusive society by supporting APEIM, an NGO devoted to caring for children and adults with intellectual disabilities. APEIM fosters their development, integration and wellbeing through specialised programmes and dedicated support. These include empowering workshops aimed at providing training and personal growth opportunities for young adults under the guidance of qualified educators, as well as various learning experiences to enhance social skills, and enable them to thrive and lead fulfilling lives.

PERFORMANCE

Social Capital

ECONOMIC AND SOCIAL DEVELOPMENT

Partner NGO: Mouvement Forces Vives Quartier EDC Rose Belle

Project: Addressing the issue of asbestos-based houses



UBP supports the NGO Mouvement Forces Vives Quartier E.D.C. Rose Belle in its dedicated efforts to address the critical issue of asbestos-based houses in the area. Our support for this project is driven by our commitment to provide residents of Rose Belle with structurally sound and sustainable housing alternatives. By joining hands with this noble cause, we aim to make a meaningful impact on the lives of the community members, ensuring improved living conditions and promoting awareness about the dangers of asbestos exposure.

Partner NGO: Foundation Joseph Lagesse (FJL)

Project: Empowerment Programme



By aiding in their training initiatives, we aim to equip the youth and women with the necessary skills and knowledge to increase their employability and help them break free from the cycle of poverty.

Partner NGO: Foundation Joseph Lagesse (FJL)

Project: Rapid Response Programme



FJL's Rapid Response Programme was set up in 2020 to provide much-needed aid to vulnerable families in the midst of the COVID-19 pandemic.

Partner NGO: Foundation Joseph Lagesse (FJL)

Project: Building Sanitary Blocks and Refurbishing Houses



This past year, UBP has also chosen to collaborate with FJL on a project to build sanitary blocks and refurbish houses, with the goal of ensuring that every family has access to adequate sanitary facilities. By improving living conditions and hygiene standards, we hope to contribute to the overall wellbeing and health of these families.

Partner NGO: Le Pont du Tamarinier

Project: Housing support for families in Black River

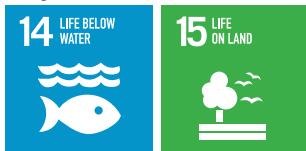


Through its housing projects, Le Pont du Tamarinier is working to assist families living in challenging conditions in Black River. Our partnership aims to restore their dignity and recognise their rights as citizens. Beyond providing housing, the NGO empowers them to actively participate in community development. With this support, some families will have the opportunity to build their own homes, while the most vulnerable will receive additional aid through fundraising efforts.

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Partner NGO: Mauritian Wildlife Foundation (MWF)

Project: The Anse Quittor Nature Reserve Project



As part of our commitment towards environmental protection and sustainability, we have a long-term partnership with the MWF for the restoration of our ecosystem and the protection of endemic species. The Anse Quittor Nature Reserve project in Rodrigues aims to safeguard the unique lowland plants and animals, while empowering the local community through a range of carefully planned activities. These include, amongst others, removing invasive alien species using traditional tools and manual labour, propagating endemic and native plants in the in-situ nursery, and planting saplings in high density restoration plots.

Partner NGO: Mission Verte

Project: Plastic Recycling Project



We provide financial support to Mission Verte, which initiated the "Freedom Plastic" project in early 2021. Through this project, plastic is locally recycled in a small workshop, with the active participation of schools in Mapou. The NGO continues its efforts to increase the amount of plastic being recycled, while raising awareness among students and the public at large.

PERFORMANCE

Social Capital

EXCLUSION

Partner NGO: Centre d'Accueil de Terre Rouge

Project: Rehabilitation of Drug Addicts



UBP is deeply committed to combating poverty by tackling social exclusion. By funding this centre for drug addicts, we contribute to the wellbeing and rehabilitation of individuals struggling with addiction. Our commitment to this cause reflects our belief in the power of compassion and care in helping those facing challenging circumstances.

Partner NGO: Lovebridge

Project: Sponsoring Vulnerable Families



We have recently embarked on a new partnership with Lovebridge, through which we sponsor families and address their urgent needs, such as food packs, education materials, uniforms, books, house renovations, furniture, medical consultations, medication, glasses, and employment training.

Key Projects and Innovations

#1 THE UBP CUSTOMER CARE CENTRE

Context

Our social capital also includes our interactions with our clients who are key to the success of UBP.

UBP strives to capitalise on the Group's synergistic capabilities from an operational, management and human perspective. Several companies within the 'grey segment' (or core business) have gradually been pooling their resources in a bid to enhance their sales potential and deliver excellence in customer service. This includes cross-selling products, ensuring customer feedback is properly received and fielded, and bringing sales teams together to provide a cohesive customer experience. In 2021, Drymix and UBP successfully established one point of contact for both entities, which boosted their individual and collective sales, as well as the quality of service being provided. Building on this, and in light of the large volume of queries received by all departments, the Group made the decision to centralise the Group's customer service.

Response

In February 2022, UBP Group introduced a dedicated and free of charge Customer Care Centre, accessible at 800 11 22 and operational between 8am and 5pm. This hotline is a shared resource between UBP, Premix, and Drymix, and serves a dual purpose: it offers vital information, support, and resolution to customers from all three entities at no cost, while also serving as a channel for customer feedback and complaints, though such instances remain rare. Three proficient agents attend to customers' most needs and have contributed to strengthening relationships with the Group's clients.

In FY2023, the hotline received a single official complaint, which was efficiently channelled to our Health and Safety Officer for immediate resolution. Besides feedback, clients also call the hotline to request quotations and connect directly with the sales staff.

Our process has evolved significantly since its conception. Following rigorous refining and adaptation from 2021 to 2022, 2023 saw a focus on streamlining the system for improved customer satisfaction and privacy. Each interaction is recorded as a potential lead. A strict privacy policy is in place, where customers make the decision on whether they wish to share their personal information with the sales team. In instances of privacy preference, customers are directly connected to the respective salesperson.

CUSTOMER FEEDBACK MECHANISM

In our continuous pursuit for excellence, each week starts with a reflective practice. Every Monday, our team conducts follow-up calls to customer serviced in the previous week, ensuring we capture their feedback and gauge the effectiveness of our services. The follow-up call is made by a different customer care representative than the one who initially assisted the customer, ensuring that this mechanism maintains its objectivity and transparency, and effectively gathers unbiased feedback.

Customers are called upon to rate our service on a three-tier system: "Poor, Satisfactory, or Very Satisfactory." This feedback covers various touchpoints: from confirming the sales team's response, to understanding their purchasing decisions, and satisfaction levels. Unsatisfactory feedback is critically addressed. These insights are channelled to respective managers, ensuring that necessary actions are taken promptly to remedy the situation at hand and enhance our service delivery.

UBP's Customer Care Centre stands as a testament to our dedication to offering superior customer experience through a clear channel of communication to all our customers across the island. This commitment, mirrored in our feedback data below, propels us to continually elevate our standards and serve our customers better every day.

Outcomes and data for FY2023:

Collective feedback:

- 69% of callers participated in the feedback process.
- 31% chose not to provide feedback.

Of those who provided feedback:

- 100% rated our service as "Satisfactory" or "Very Satisfactory" during the FY2023.

Feedback on the sales team performance:

- 39% chose not to provide feedback.
- 51% expressed "Satisfactory" feedback.
- 10% reported an "Unsatisfactory" experience.

PERFORMANCE

Financial Capital

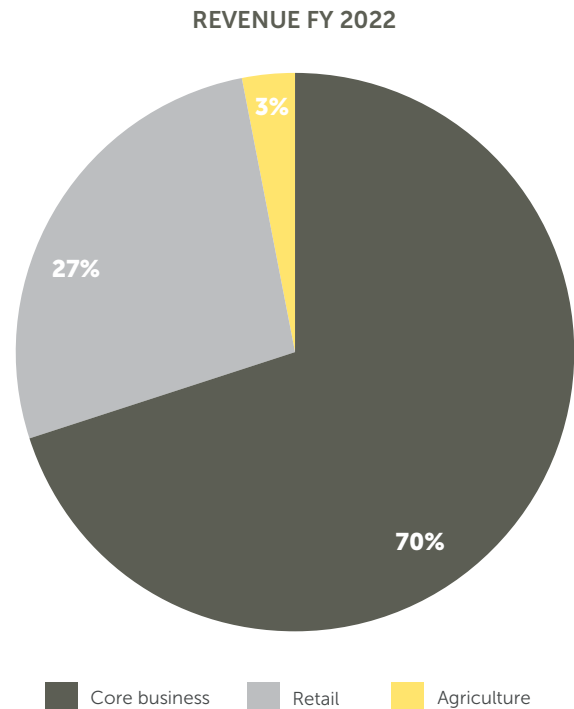
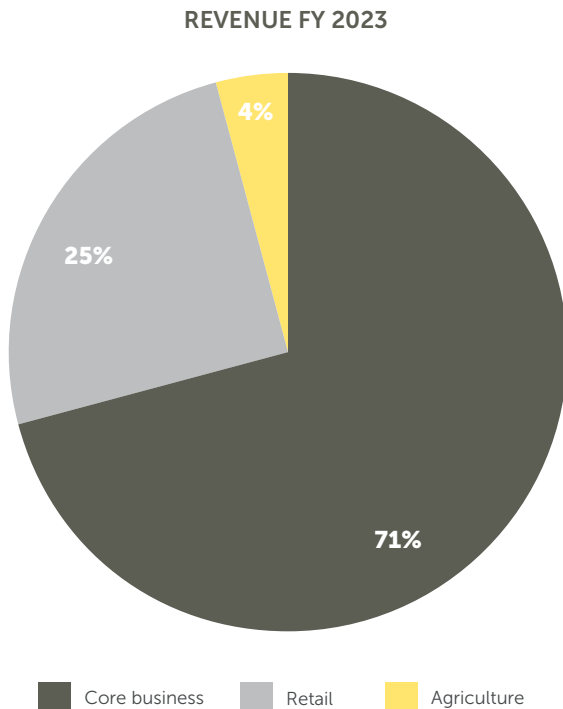
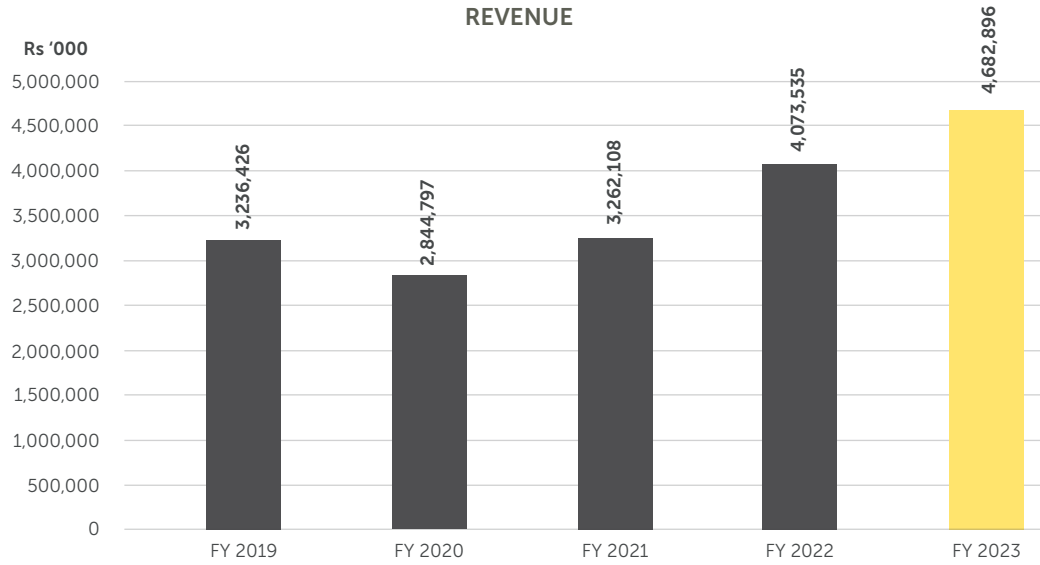


Financial Capital represents the economic resources controlled by the organization, encompassing all available finances used to produce goods or provide services.

FINANCIAL PERFORMANCE REVIEW

The construction industry's growth rate for calendar year 2022 was 1.3% (compared to 22.7% in 2021, due to the post-Covid catching up effect) while the forecasted growth rate for 2023 is estimated at 28.6%. This significant upside is mainly attributable to the major infrastructure projects currently underway across the island, namely the social housing project, the Metro Express extension, the enhanced road network plan, the improved drain infrastructure and other infrastructural works and public buildings. Hence, the Public Sector investment growth rate is estimated to grow from 1.1% for calendar year 2022 to 40.9% for 2023 whereas the Private Sector investment growth rate is estimated to grow from 9.6% to 14.5%, comprising the development of smart cities, a Biotechnology park, land parceling projects, property development scheme (PDS) projects and the construction/renovation of hotels.

Our **Group revenue** for FY2023 increased by 15.0% to Rs 4.7 billion (FY2022 – Rs 4.1 billion) attributable mainly to our core business activity segment. Unlike in the previous financial year, Premix Ltd (formerly Pre-Mixed Concrete Limited) was consolidated as a subsidiary for the entire financial year under review and contributed Rs 330.9 million to the revenue increase for the financial year while FAST (Flacq Associated Stonemasters Limited), acquired on March 29, 2023, contributed an additional Rs 36.0 million.



PERFORMANCE

Financial Capital

Statement of Profit or Loss

Revenue

EBITDA

Depreciation and amortisation

Operating profit

Allowance for expected credit losses on financial assets

Impairment of assets

Gain on deemed disposal of associate

Finance income

Finance costs

Share of results of associates

Profit / (loss) before tax

Tax income / (expense)

Profit / (loss) for the year

Non-controlling interests

Profit / (loss) for the year attributable to equity holders of the parent

Earnings per share

Basic, profit / (loss) for the year attributable to ordinary equity holders of the parent

Dividend per share - Rs

YEAR ENDED	
June 30, 2023	June 30, 2022
Rs'000	Rs'000
4,682,896	4,073,535
628,662	518,804
(381,005)	(314,063)
247,657	204,741
(19,099)	(23,281)
-	(348,100)
-	158,236
957	2,125
(107,574)	(59,490)
13,523	10,678
135,464	(55,091)
6,546	(1,622)
142,010	(56,713)
(8,350)	(10,840)
133,660	(67,553)
Rs	Rs
5.04	(2.55)
-	3.00

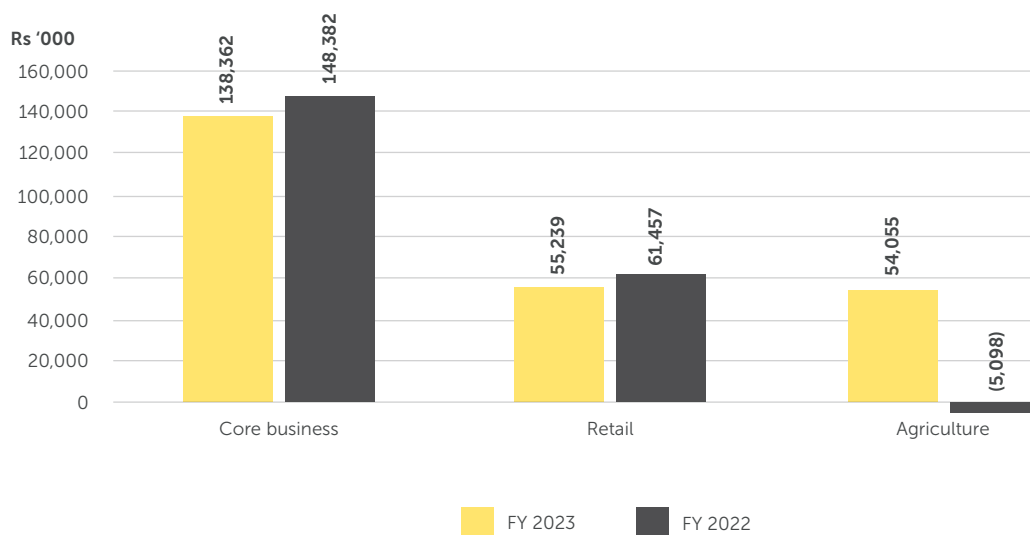
Our **Group operating profit** increased from Rs 204.7 million in FY2022 to Rs 247.7 million for the financial year under review. Our local core business activities performance for the last quarter was positively impacted by an increase in revenue and by the reversal of provisions on staff-related costs, retirement benefit liabilities, inventories, spare parts obsolescence and expected credit losses. Conversely, our profitability for the financial year was adversely affected by a significant increase in our cost of production arising from the impact of imported inputs, higher fuel prices, increased electricity charges and repairs and maintenance. The performance of Premix Ltd improved significantly compared to the previous financial year when we incurred exceptional transition expenses linked to the shift of management.

On the foreign front, the Board has decided to postpone the disposal of our subsidiaries in Sri Lanka and Madagascar given the unfavourable economic context prevailing in these countries. Hence, the results of both entities have been reclassified as continuing operations in the statement of profit or loss and other comprehensive income for the financial year under review.

Despite an increase of 7.9% in revenue and a release in stock damage and discrepancies provision, the profitability of our Espace Maison retail activities segment for the financial year under review was lower than in FY2022 due to an increase in staff costs, rental charges, marketing and selling expenses.

In terms of our agricultural activities segment, the operating result of Compagnie de Gros Cailloux Limitée was significantly better than in FY2022 due to an exceptional profit of Rs 43.2 million realised on the sale of agricultural land, as well as the improved performance of our vegetable-growing and greenhouse activities, and an increase in the price of sugar.

SEGMENTAL REPORTING PROFIT



PERFORMANCE

Financial Capital

Our share of results from associates for the financial year under review increased by 26.6% compared to that of the previous financial year due to the improved performance of Terrarock Ltd.

Our Group **EBITDA** increased by 22.4% from Rs 518.8 million for FY2022 to Rs 634.9 million for the financial year under review. After taking into consideration the net impact of Rs 189.9 million resulting from the impairment of goodwill and the deemed disposal of shares in Premix Ltd in the previous financial year, our Group net result increased from a loss of Rs 56.7 million for FY2022 to a profit of Rs 142.0 million for the financial year under review. **Earnings Per Share** likewise increased from a loss of Rs 2.55 for FY2022 to Rs 5.04 for the financial year under review.

Statement of Financial Position

	YEAR ENDED	
	June 30, 2023	June 30, 2022
	Rs'000	Rs'000
Total assets	7,713,571	6,409,426
Interest bearing loans and borrowings	2,337,317	1,825,736
Borrowings excluding bank overdrafts	1,900,835	1,483,328
Equity attributable to shareholders of the parent	4,215,442	3,441,748
Net assets value per share	Rs 159.01	Rs 129.83

Financial Ratios	2023	2022
Operating margin - %	5.29	5.03
Interest cover - times	2.26	0.07
Dividend cover - times	-	(0.85)
Return on equity - %	3.17	(1.96)
Return on assets - %	1.73	(1.05)
Debt to equity - times	0.55	0.53

CAPITAL EXPENDITURE INVESTMENTS

Our Group invested Rs 767.0 million in capital expenditure (including Right of Use Assets) for FY2023 as detailed below :

	FY 2021	FY 2022	FY 2023
	Rs'000	Rs'000	Rs'000
Freehold land & buildings	36,371	44,179	64,740
Leasehold & land improvement	285	205	-
Plant & equipment	98,215	203,125	299,088
Motor vehicles	7,874	30,198	11,475
Asset in progress	16,858	103,960	219,166
Total investment in Property, Plant & Equipment	159,603	381,667	594,469
Investment in intangible assets	9,476	21,613	22,028
Investment properties	480	-	-
ROU Assets excluding land & buildings	39,332	105,890	150,502
Total	208,891	509,170	766,999

Investments made in terms of our core business activities segment (including Premix Ltd and Drymix Ltd) related mainly to the replacement and upgrading of our existing plants, including some automation, the acquisition of cement silos, several pump trucks for our ready-mixed concrete activity and the replacement of quarrying equipments.

In terms of our Espace Maison retail activities segment, most of the capital expenditure budget was spent for rackings and displays in view of the extension of our shop in Tamarin, due to open before the end of the year. We also invested in wood cutting machines as part of the widening of our client services offering. Speaking of our agricultural segment, investments made this year related mainly to a new irrigation system and the extension of our sugar cane plantation surface area.

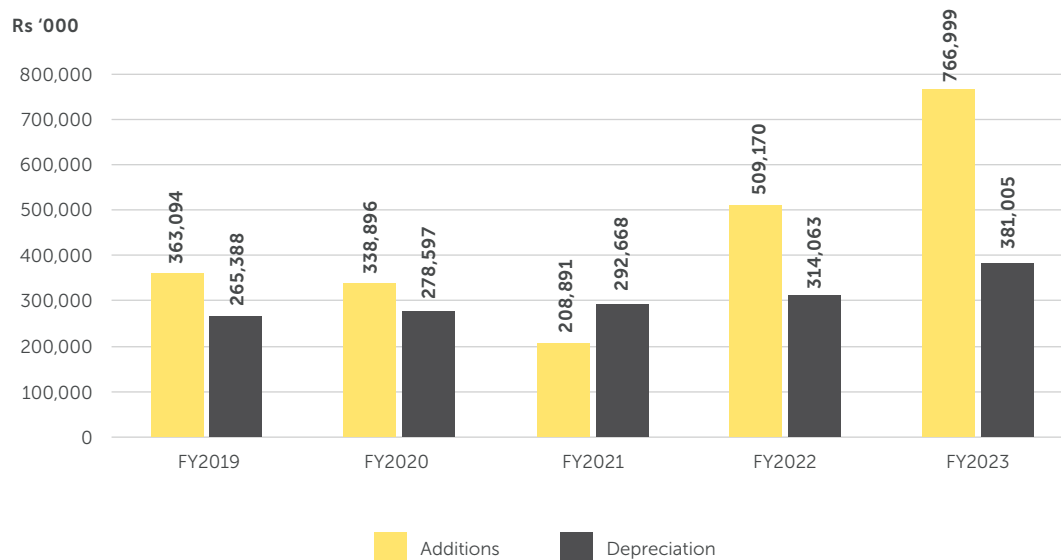
Our investment in intangible assets for the year included mainly the development of a new website, the integration of our ERP with our e-commerce platform, a planogram for our merchandising and a project management tool at Espace Maison, a new Capex management tool for the Group and further enhancements on our ERP at Gros Cailloux.

Besides the above, investments in assets in progress relate mainly to our acquisition of Espace Maison premises in Tamarin and the extension currently underway which is due to be completed before the end of 2023.

PERFORMANCE

Financial Capital

CAPITAL EXPENDITURE INVESTMENTS



As shown in the above chart, our investment in capital expenditure outweighed our yearly depreciation charge over the past five years except for FY2021 where the Covid-19 impact forced us to defer our Capex spending. This year, the Capex investment is more than twice the depreciation charge. This clearly confirms the Group's commitment to enhance its production capacity, agility and efficiency through the use of latest technology plant and machinery and IT tools in view of meeting market demand, increasing our market share and improving our profitability going forward.

BORROWINGS, FINANCE COSTS AND GEARING

Further to the significant investments in capital expenditure and our equity investment in FAST (Flacq Associated Stonemasters Limited) amounting to Rs 244.8 million, our total borrowings, including lease liabilities, increased from Rs 1.8 billion in 2022 to Rs 2.3 billion at June 30, 2023. Our Long Term Secured Promissory Note (PN) of Rs 650 million, contracted in 2018, is due to mature in October 2023. Hence, it was reclassified as a current liability at June 30, 2023 resulting in a net current liability position. At time of writing, the Company has secured the refinancing of the PN and the rescheduling of existing long term loans together with the financing of the acquisition and extension project of Espace Maison Tamarin and some working capital needs. As a result of the above and following the successive increases in interest rates during the financial year under review, our finance costs increased from Rs 59.5 million for FY2022 to Rs 107.6 million for this financial year. However, given the increase in equity attributable to shareholders of the parent company, our debt-to-equity ratio increased only marginally from 0.53 in the previous financial year to 0.55 at June 30, 2023.

EQUITY AND TOTAL SHAREHOLDERS' RETURN

The **equity attributable to shareholders** increased by 22.5% (Rs 773.3 million) from Rs 3.44 billion in the previous financial year to Rs 4.21 billion this financial year, attributable to the profit for the year, a surplus of Rs 531.2 million, net of tax, arising from the revaluation of land and buildings within the Group and re-measurement gains of Rs 108.7 million, net of tax, on employee retirement benefit liabilities. No **dividend** was paid this financial year, while our **share price** dropped from Rs 139.00 at June 30, 2022 to Rs 100.00 at June 30, 2023. As a result, the **total shareholders' return** for the year moved from -1.89% for FY2022 to -28.06% this financial year while the return on equity increased from -1.96% to +3.17%.

CASH FLOW

Cash flows generated from operations increased significantly from Rs 135.3 million for FY2022 to Rs 672.0 million for the financial year under review, after adjusting for a favourable movement in working capital, unlike in the previous financial year. Other significant cash outflows comprised of the purchase of property, plant and equipment, the purchase of intangible assets, the acquisition of shares FAST and the repayment of loans.

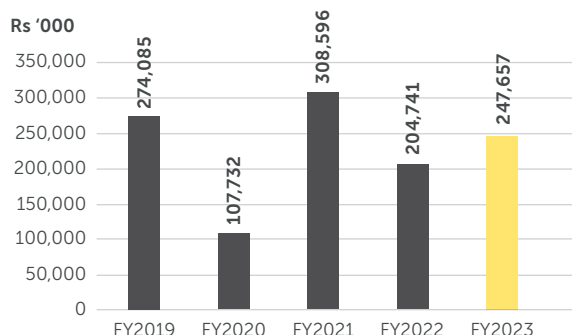
GOING FORWARD

Our Group local core business revenue for the first quarter of the current financial year is ahead of last year. This positive trend is expected to be maintained should the level of property development and infrastructure projects continue to grow.

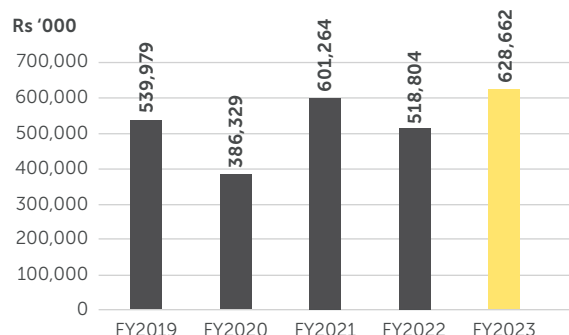
PERFORMANCE

Financial Capital

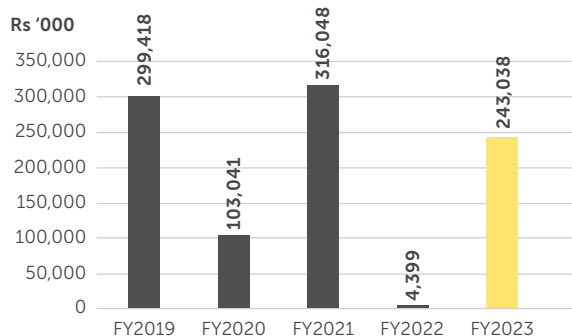
OPERATING PROFIT



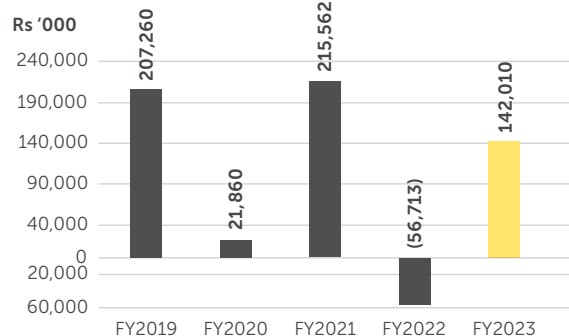
EDITDA



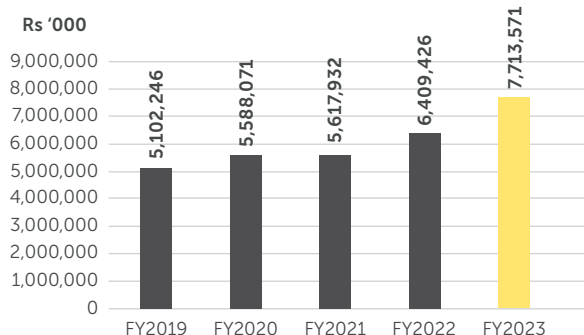
EBIT



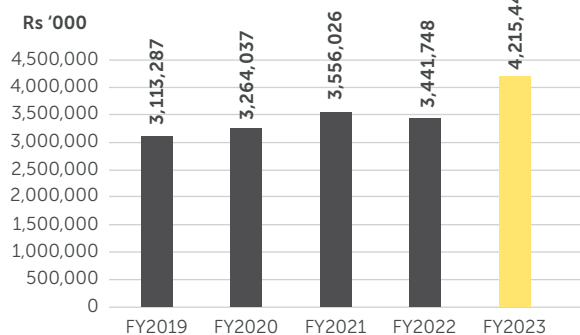
NET PROFIT / (LOSS)



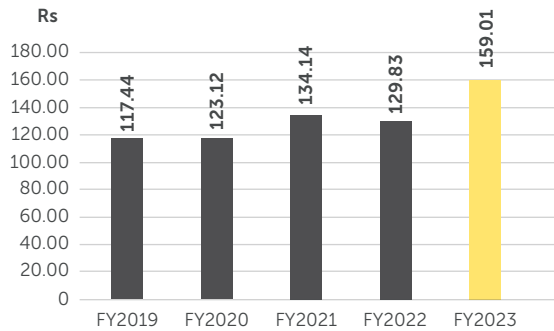
TOTAL ASSETS



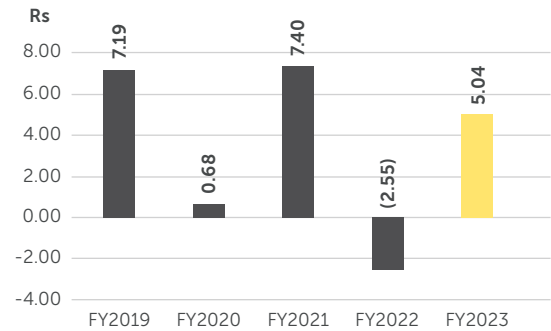
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT



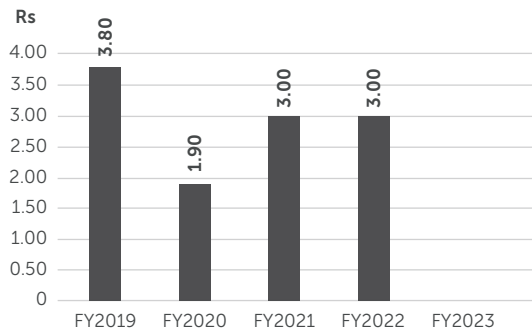
NET ASSETS VALUE PER SHARE



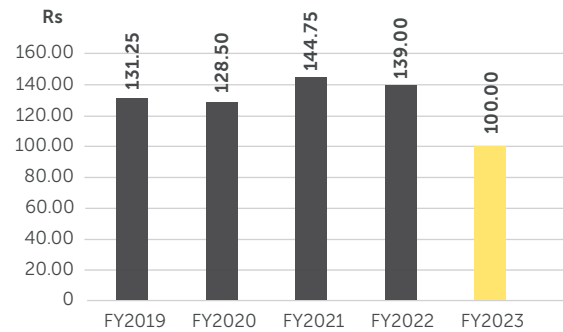
EARNINGS PER SHARE



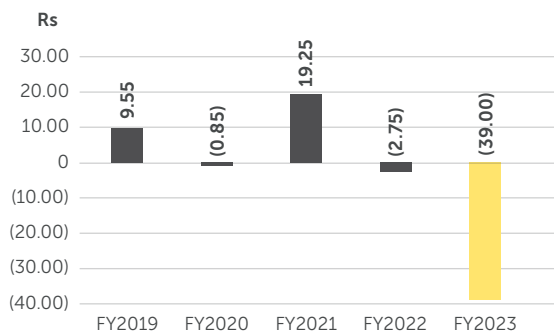
DIVIDEND PER SHARE



SHARE PRICE



TOTAL SHAREHOLDERS' RETURN PER SHARE



MARKET CAPITALISATION

