CONCRETE SOLUTIONS SURFACED TO MEET GREATER DEMANDS.

As Mauritius expanded, so did the scale of its construction projects. **UBP** rose to the challenge by introducing ready-mixed concrete. This innovation became the backbone of major projects across the island, ensuring every major project was built with efficiency, precision, and excellence.

NATURAL CAPITAL

Our inventory of renewable and non-renewable environmental resources and processes, such as land, minerals, air, water, and biodiversity. These resources provide vital inputs and ecosystem services that are essential for sustaining economic production and ensuring long-term environmental health.

KEY NUMBERS ACROSS THE GROUP

Boulders crushed (million tonnes):
3.3 (↓0.9%)

Diesel consumption (million litres):
3.9 (↓1.8%)

Natural gas consumption (tonnes):
392 (↑15.6%)

Electricity consumption:
18.8 MW (↑3.2%)

Training/awareness sessions provided on Sustainability/Climate change (hours):
167 (↑14.4%)

Number of public charging stations for electric vehicles currently in use via the E-motion agreement:
3

Number of air monitoring exercises conducted across UBP production sites:
18 (↑80%)

Number of recharges at the charging points:
- **Espace Maison** (Forbach): 103
- **Espace Maison** (Tamarin): 87
- **Gros Cailloux**: 12

Number of noise monitoring exercises conducted across UBP production sites:
16 (↓62.8%)

Resources collected by Espace Maison for recycling via "**Le Geste Vert**" from August 2023 to May 2024:

398 KG	543 KG	328 KG	244 KG
TOTAL PET	TOTAL USED BATTERIES	TOTAL LIGHT BULB	TOTAL CARTONS

STRATEGIC MANAGEMENT OF THIS CAPITAL

Our approach to sustainability is continually evolving to keep pace with shifting global and local dynamics. We are aligning with international best practices, staying ahead of emerging reporting standards and frameworks to enhance both transparency and accountability. At the national level, we remain closely attuned to key developments, such as the Government of Mauritius' **Circular Economy Roadmap 2023–2033** and the newly introduced **Resource Recovery Bill**, which both underscore the country's commitment to sustainable resource management. Building on the **Circular Economy**, which has long been a core pillar of our Sustainability Policy, we are now strengthening our roadmap to reflect its growing prominence as a national and global priority.

In 2024, the Group took a significant step forward in its sustainability journey by setting up a **Corporate Sustainability Committee (CSC).** The CSC's role is to ensure that Environmental, Social, and Governance (ESG) principles are embedded into its decision-making and long-term strategies. To carry out its mission, it is supported by the Technology & Innovation Office (T&IO) and the Development & Sustainability Manager, who are tasked with setting up a dedicated team, tracking progress, and reporting regularly to the CSC.

Existing sustainability initiatives are ongoing, including actions to combat climate change, reduce the carbon intensity of our products and operations, promote Circular Economy practices, and improve energy efficiency. The Carbon Neutral Industrial Scheme (CNIS), in partnership with the Central Electricity Board, also remains a key focus, aimed at lowering energy costs and the carbon footprint of operations at UBP, Premix, and Drymix through the installation of photovoltaic systems.

KEY INITIATIVES IN FY2024

UBP

UBP remains committed to the responsible and thoughtful management of basaltic rocks, its primary raw material. It continuously strives to minimise waste and optimise resource utilisation through methods that mitigate environmental disruption, while also seeking innovative ways to repurpose by-products.

Key challenges and strategic response

UBP is exposed to several external factors that have the potential to significantly disrupt the continuity of its operations. Major risks include adverse weather conditions impacting rock extraction and delays in obtaining landowner approvals. Moreover, increasingly stringent environmental regulations—particularly concerning the draft siting criteria for stone-crushing plants and proposed air emissions standards—have added further complexities to UBP's operating environment. In response, a gap assessment was conducted, and an action plan is currently being developed to address these challenges. UBP is also exploring dedicated resources for rock sourcing, while staying alert to potential projects and opportunities, especially those involving the availability of rock materials.

NATURAL CAPITAL

Premix

Premix manages its natural capital through responsible water and fuel use, exemplified by the Effluent Reuse Project. This initiative repurposes effluent from decantation ponds for washing equipment and manufacturing concrete, significantly reducing reliance on fresh water. In keeping with its commitment to transparency and environmental stewardship, Premix has published a third-party verified Environmental Product Declaration (EPD) for various grades of concrete. This EPD provides stakeholders with clear and accessible information about the environmental performance of its products, underscoring the company's commitment to continuous environmental improvement.

Key challenges and strategic response

Premix is particularly vulnerable to adverse weather conditions, such as heavy rains and flash floods, which can hinder concrete transportation to construction sites. Recognising the importance of effective operational management in the face of changing weather patterns, Premix proactively adapts its operations to mitigate these disruptions. Daily coordination between the Sales and Operations teams ensures timely decision-making and the efficient scheduling of deliveries based on weather forecasts and site readiness. Additionally, Premix enhances communication with clients during heavy rains to ensure they are prepared to receive concrete on-site, minimising waste by dispatching concrete only when the site is ready.

Drymix

Drymix effectively manages its natural capital by sourcing essential raw materials, including cement, sand, and wooden pallets that are critical to its production processes. To maintain a reliable supply and stable operations, Drymix has established a contractual agreement with its local cement supplier, safeguarding it against potential disruptions in the global supply chain. Additionally, it ensures that at least 50% of the value is added locally, helping to support the local economy, while qualifying it for tax exemptions.

Key challenges and strategic response

Drymix is facing challenges in maintaining the quality of its raw materials, and managing fluctuations in freight costs. In response, it is exploring diverse sourcing from multiple regions to mitigate the risk of supply chain disruptions, while also strengthening its focus on quality control.

Espace Maison

Espace Maison leverages a diversity of locally sourced raw materials to support its extensive selection of home improvement and gardening products. Key materials, including salt, topsoil, corals, and charcoal, are procured directly from local suppliers. Notably, salt is exclusively harvested from the Salines of Yemen, where it is bagged on-site and delivered directly to Espace Maison's stores. It has also recently secured permits for biofertilizers and aims to have these products available in stores by June 2025.

Key challenges and strategic response

Espace Maison is facing challenges in mitigating the environmental impact associated with sourcing non-regenerative materials. It continuously explores other sourcing strategies and supplier partnerships committed to responsible practices.

Gros Cailloux

Gros Cailloux responsibility towards its natural capital is rooted in a strong focus on optimising land use, particularly through the nursery, its core operation. To boost productivity in that segment, Gros Cailloux has diversified its land use by reducing the area dedicated to vegetable cultivation and expanding its nursery facilities.

Sustainable Agricultural Practices and Certification

Since 2018, Gros Cailloux has been an active player of the SMART AGRICULTURE initiative led by the Mauritius Chamber of Agriculture. This initiative resulted in the MAURIGAP (Good Agricultural Practices) certification for several crops, including onions, potatoes, and pumpkins in FY2023, and carrots certified in FY2024.

Waste Management and Environmental Initiatives

In FY2023, Gros Cailloux implemented a comprehensive waste management plan, reinforcing its long-standing commitment to environmental sustainability. In June 2024, in partnership with the University of Mauritius, it introduced compost training aimed at establishing in-house experts. Ten employees participated in this programme, which had three core objectives:

1. Conducting a 'Train the Trainers' programme on composting techniques to create 'Champions in Composting.'
2. Demonstrating a pilot-scale composting process using a rotary drum composter, evaluating the compost quality, and applying it to crops.
3. Supporting staff in implementing composting projects within the company.

Additionally, the Waste Management Committee, established in September 2023, continues to prioritise waste awareness and reduction, promoting a triage system aimed at minimising landfill waste.

Key challenges and strategic response

Gros Cailloux continues to face climate-related challenges such as drought and changing weather patterns, which threaten long-term sustainability. Despite these issues, Gros Cailloux remains strongly committed to sustainable agriculture practices, focusing on restoring soil health, improving food production, and contributing to national food security.

STRENGTHENING FOUNDATIONS: UBP'S COMMITMENT TO THE LOCAL ECONOMY

#1: Maximising Water Efficiency: Premix's Innovative Reuse of Wastewater

Context:

In the concrete production industry, water is crucial not only for the mixing process, but also for cleaning and maintaining equipment. With this in mind, Premix has launched an initiative to reuse wastewater from decantation ponds, aiming to improve water efficiency at its ready-mixed concrete plants.

Response:

Premix has rolled out this initiative across four of its ready-mixed concrete plants, repurposing water for both equipment cleaning and concrete production, with specific reuse rates tailored to each facility's needs. Initially introduced in UBP's 2023 Integrated Report, this initiative underscores the company's dedication to sustainable water management. Since its launch, the project has achieved a 25% reuse rate and continues to show strong momentum. Premix has now set an ambitious goal of increasing wastewater reuse to 50% by the end of the current financial year, further enhancing its environmental impact.

NATURAL CAPITAL

#2 Espace Maison's Recycling Initiative: Transforming Waste into Resources

Context:

In line with its commitment to responsible practices and supporting the local economy, Espace Maison launched a series of innovative recycling initiatives, including a project that repurposes glass bottles into pool filters. Traditionally, pool filters rely on imported specialty sand, which poses environmental and logistical challenges. By utilising recycled glass instead, Espace Maison reduces its dependency on imported materials while contributing to waste reduction and resource optimisation.

Response:

Launched in 2016, this initiative is part of a broader recycling programme at Espace Maison, which involves the collection and recycling of batteries, plastic bottles, bulbs, tubes, cardboard, and plastic wrapping. This holistic approach to resource management not only minimises waste, but also engages the local community in environmental conservation efforts. Espace Maison encourages customers to actively participate in recycling initiatives by providing convenient recycling points and ensuring regular collection services. Since the programme's inception, Espace Maison has successfully sold 64 tonnes of pool filters.

#3 Adapté: Gros Cailloux's Nursery Project for Resilience/Agility Indoor Plants, Sod, and Open Field Palms

Context:

Recognising the impact of ongoing climate shifts on vegetable production, Gros Cailloux launched the "Adapté" initiative. Translated as "to adapt" in Creole, "Adapté" embodies the company's philosophy of being "permanent adapters," reinforcing the main theme, "Mo Bizin Twa." This adaptive mindset is vital for maintaining resilience and agility, which are, in turn, crucial for competitiveness and profitability. As Gros Cailloux continues to innovate under the "Adapté" banner, future projects and partnerships will address the evolving needs of residential, commercial, and landscaping markets, while continuing to focus on adaptability.

Response:

Launched in September 2023 at the KAHIN site, the "Adapté" Nursery Project is dedicated to cultivating indoor plants, sod, and palms, marking a transition from traditional agriculture to nursery production. This strategic shift aims to improve profit margins while bolstering climate resilience.

With an investment of Rs 14 million in nursery refurbishment, sod fields, and palm cultivation, the project is projected to increase profits from Rs 1.6 million to Rs 7.5 million by 2024-25. Notably, collaboration across departments is expected to optimise resources, and the implementation of advanced technologies, such as drip irrigation, is set to enhance production efficiency. Additionally, staff training in partnership with the Mauritius Chamber of Agriculture is cultivating expertise in plant multiplication. Early results are promising, with positive customer feedback and a robust nursery system already established.

NATURAL CAPITAL

#4 Gros Cailloux's "Dimin" Compost Initiative: Innovating for Future Needs

Context:

Under the "Dimin" theme, meaning "tomorrow" in Creole, Gros Cailloux launched the Compost Initiative, adopting a forward-looking approach to waste management and agricultural productivity. This theme embodies the company's vision of addressing future needs through innovative and proactive strategies, with plans to introduce additional projects under the "Dimin" banner.

Response:

Launched in 2024, the Compost Initiative is central to Gros Cailloux's strategy for enhancing soil quality, minimising waste, and supporting sustainable agricultural practices. A unique aspect of this initiative is the commitment to make Gros Cailloux the first village in Mauritius to implement comprehensive waste sorting. Residents will receive designated bins for waste separation, which Gros Cailloux will collect for composting. In return, villagers will receive a portion of the compost at no cost, fostering local agricultural efforts and bolstering the community's economy.

Gros Cailloux has invested significantly in this initiative, procuring modern composting equipment and establishing a dedicated composting site. Collaborations with local agricultural experts and environmental organisations have been integral to ensuring an effective composting process and high-quality end product. Early outcomes have shown promise, with substantial waste reductions and positive feedback from compost users. Moving forward, Gros Cailloux aims to scale this initiative by increasing compost production, expanding its distribution network, and deepening community engagement.

HUMAN CAPITAL

Human Capital encompasses the collective skills, knowledge, experience, motivation, and wellbeing of every individual within our organisation. This diversity of talent unlocks our innovation and productivity, making our people the cornerstone of our performance and competitive advantage.

KEY NUMBERS ACROSS THE GROUP

Total workforce in Mauritius:
1,598 (↑ 4%)

Baby boomers:
112 (↓ 22%)

Gen X:
521(↓ 3%)

Gen Y:
626 (↑ 3%)

Gen Z:
339 (↑ 37%)

Gender Distribution
F: Female
M: Male

Group
(F) : 22% (M) : 78% (Same since FY2022)

UBP
F: 13% M: 87%

Espace Maison
F: 46% M: 54%

Premix
F: 8% M: 92%

Gros Cailloux
F: 48% M: 52%

Drymix
F: 10% M: 90%

Learning and Development
Investment in training (Rs million):
9.3 (↑ 17.6%)

Number of employees trained:
1,116 (↓ 7%)

Number of training hours provided:
2,402 (↑ 1999%)

Lost Man days :
830 (↓ 39.5%)

Health and safety
Accident severity rate (Group):
0.24% (Same since FY2022)

Health surveillance checks (Group):
573

STRATEGIC MANAGEMENT OF THIS CAPITAL

The Group is committed to strengthening its human capital by developing strategies to retain and engage our workforce. We continuously invest in learning and development programmes to upskill our people, foster an inclusive work environment, and promote work-life balance. Our goal is to unlock the full potential of each individual by equipping them with the tools and capabilities needed to thrive, ensuring they are well-equipped to contribute to the Group's specific objectives and meet future demands. In 2024, we placed strong emphasis on targeted recruitment, training and wellbeing, particularly in light of the labour shortages, to enhance productivity and resilience.

KEY INITIATIVES IN FY2024

UBP

UBP has introduced comprehensive training programmes aimed at sharpening the skills and effectiveness of its sales team. These programmes are not limited to technical training, but also extend to enhancing soft skills, aiming to elevate customer care at every stage—before, during, and after sales. Recognising the unique challenges of its sector, UBP also offers on-the-job training and thorough onboarding processes, ensuring employees are well-prepared for their roles. To manage generational differences within its workforce, UBP has implemented targeted initiatives designed to bridge gaps in work styles, expectations, and communication.

Key challenges and strategic response

Recruitment remains a key challenge due to the demanding and competitive nature of the sector. This has led to concerns about labour shortages and the risk of talent poaching, which threaten workforce cohesion and productivity. In response, UBP is exploring strategic approaches, such as building stronger retention programmes and developing internal talent pipelines, to safeguard against these risks.

Premix

Human capital stands as one of Premix's most valuable assets. This is why it continuously invests in its workforce to uphold high standards of skill and productivity. Beyond technical training, Premix prioritises employee wellbeing through initiatives like fitness programmes, designed to enhance both physical health and productivity. This past year, Premix embarked on a new management programme,"Boots on the Ground", to better understand the daily challenges faced by operational teams and improve workplace morale. The programme entails regular visits from management to operational sites to gain insights into daily challenges and provide hands-on support. This initiative has already proven to be a valuable tool for Premix, not just in fostering a closer, stronger relationship between management and staff, but also in ensuring a better alignment between strategy and day-to-day operational realities.

Key challenges and strategic response

Premix faces ongoing challenges, particularly with high attrition rates and long working hours, especially among skilled staff. To address the high turnover in specialised roles, Premix is actively working on improving its retention strategies and fostering a more supportive workplace culture that encourages loyalty.

HUMAN CAPITAL

Drymix

In the dynamic and demanding environment of the construction materials industry, employee health and wellbeing are paramount to maintaining a productive and motivated workforce. Drymix has made a significant stride in this direction by launching the annual occupational medical examination programme, a fully-funded comprehensive medical assessment for all employees. This proactive approach to employee health identifies occupational diseases and preventable injuries early on, contributing to improved productivity and a safer work environment. Tangible benefits have already emerged, including reduced absenteeism, and improved employee morale.

Key challenges and strategic response

Drymix recognises the need for heightened supervisory presence to effectively manage operational risks. It is also developing a strategy to improve employee retention, especially among specialised roles where turnover rates are notably high.

Espace Maison

Espace Maison has been navigating significant labour challenges, including increased competition for talent, and widespread labour shortages. In 2023, it introduced the Employee Happiness Programme, aimed at cultivating a happy environment that boosts employee satisfaction and wellbeing across its retail network. A cornerstone of this initiative is the implementation of a new work schedule designed to improve work-life balance, efficiency, and job satisfaction. Monetary incentives are also offered to further motivate and incentivise employees.

However, the Employee Happiness Programme has been temporarily placed on hold to address more pressing issues relating to recruitment. Currently, Espace Maison is grappling with a 42% shortage in sales representatives, which has adversely affected both sales and operational efficiency, while also facing difficulties in attracting and retaining skilled technicians for its after-sales service. These have led to declines in customer service levels and sales performances. To address these issues, Espace Maison is investing heavily in extensive training programmes and actively recruiting expatriate staff. In parallel, it has also set up a dedicated team of technicians and supervisors focused on elevating and ensuring a very good after-sales service.

Key challenges and strategic response

The retail landscape is expected to continue navigating these labour challenges, compounded by market volatility, increased health and safety regulations, and the need to maintain employee motivation. While it is considering hiring expatriates to address the labour shortage, Espace Maison is equally focused on developing a strategy to retain its local workforce and ensure long-term stability. Meanwhile, the Employee Happiness Programme is set to resume in the upcoming financial year.

Gros Cailloux

Gros Cailloux strongly emphasises its human capital of 155 employees, including 11 expatriate skilled workers, understanding that having the right people in the right roles is key to its success. Key initiatives include the "Service Excellence" programme to enhance staff motivation and performance, along with an academic initiative, in collaboration with the University of Mauritius, which provides specialised composting training for 10 employees, directly contributing to soil improvement efforts.

Central to the company's turnaround were the *'Enn Roupi Profi'* and *'Sak Roupi Konte'* initiatives introduced in 2023 to help Gros Cailloux emerge from financial difficulties. These initiatives have yielded positive results, such as stronger interdepartmental synergies, cross-functional teams, and a strong sense of ownership in achieving shared goals and returning Gros Cailloux to profitability. Following the success of these initiatives, the *"Mo Bizin Twa"* project was launched in 2024 to drive performance at Gros Cailloux by further dismantling silos and integrating key support departments (such as HR, IT and Finance) with operational teams.

Key challenges and strategic response

Although its internal programmes have contributed to an improved performance, Gros Cailloux is facing the risk of labour scarcity, threatening to disrupt production and efficiency. Measures being implemented include hiring expatriates or consultants for knowledge transfer, offering additional transportation options to ease workers commute stress, continuous training in specialised skills, including development programmes adapted to foreign labour, and ensuring ongoing certifications.

STRENGTHENING FOUNDATIONS: UBP'S COMMITMENT TO THE LOCAL ECONOMY

#1 Empowering Productivity and Work-Life Balance: UBP's Shift System Initiative

Context

In a rapidly evolving industry, balancing high production levels with employee wellbeing is essential. Understanding this, UBP implemented a shift system across several operational sites in April 2024, aiming to boost production output without overburdening the workforce. The system now operates with two shifts per day, from Monday to Saturday, with teams rotating weekly to maintain a reasonable equilibrium between professional and personal life. The shift system has been primarily applied to aggregates and precasts production to meet market demand.

Response:

Alongside improved work-life balance, the shift system also offers a productivity-based allowance, rewarding employees for their output rather than overtime hours. UBP plans to gather regular insights and feedback from workers about the new system in the coming months. This iterative approach will ensure the system is being finetuned to meet both operational goals and employee needs, while also fostering a workplace culture that encourages open dialogue and enables every employee to thrive.

HUMAN CAPITAL

#2 The Path: Empowering UBP Group's Workforce for Excellence

Context

In 2023, UBP launched "The Path," an ambitious strategic programme aimed at strengthening its workforce through targeted training, enhanced safety measures, and collaborative efforts. This initiative reflects the Group's commitment to building a resilient and skilled workforce capable of meeting the evolving needs of the construction industry, while positively impacting the local economy.

Response:

Building on the progress made in 2023, "The Path" has further evolved to address the strategic priorities identified by various entities within the Group. **Safety and Wellbeing at work** have become key training priorities, ensuring that employees are well-acquainted with essential workplace precautions. Collaborative and on-the-job learning also play crucial roles in fostering knowledge-sharing across the Group. This includes workshops, peer sessions, and technical training in machinery, artificial intelligence, and environmentally and socially conscious practices, equipping employees with essential knowledge and skills. Through "The Path", UBP is reinforcing its commitment to ongoing education and continuous learning as a competitive edge, while also supporting the local economy by enhancing skills, creating jobs and fostering community development. The initiative is continually refined based on employee feedback to adapt to workforce needs.

MANUFACTURED CAPITAL

Manufactured Capital comprises all physical and engineered assets owned or utilised by our organisation, such as machinery, buildings, technology, and infrastructure. These assets are essential in strengthening operational capabilities and contributing to the Group's value creation.

KEY NUMBERS ACROSS THE GROUP

Boulders crushed (tonnes):
↓ 0.9%

Cement consumed (tonnes):
↑ 4.4%

Blocks sold (units):
↓ 0.8%

Smart blocks sold (units):
↑ 140%

Aggregates sold (tonnes):
↑ 0.9%

Precast slabs sold (m2):
↑ 124%

Beams sold (m2):
↑ 814%

Concrete sold (m^3):
↑ 5%

Dry mortar sold (tonnes):
↑ 11.4%

Plants sold (units):
↑ 0.8%

Landscapes created (Rs million):
↓ 24.6%

Fertilisers used (tonnes/ha):
↔ 0.68%

Herbicides used (tonnes/ha):
↔ 0.02%

Pesticides used (tonnes/ha):
↔ 0.02%

Vegetables produced (tonnes):
↓ 26.6%

<u>**Land under cultivation** (ha):</u>

Food crops:
↓ 10.3%

Sugarcane:
(Same as FY2023)

Nursery:
↑ 20%

STRATEGIC MANAGEMENT OF THIS CAPITAL

The Group effectively manages its manufactured capital through strategic investments in automation, equipment upgrades, and supply chain optimisation, all aimed at enhancing operational efficiency and maintaining resilience against market pressures. In 2024, these efforts included expanding the SCADA system—initially implemented in one plant in 2023—to additional facilities, alongside targeted site improvements to boost production efficiency. Additionally, the Group has undertaken logistics and equipment upgrades to strengthen the supply chain, amid challenges such as fluctuating freight costs and limited storage capacity.

KEY INITIATIVES IN FY2024

UBP

UBP's supply chain for manufactured capital—such as key production equipment—is independently managed by a dedicated department that uses advanced machinery to enhance production efficiency and foster innovation. This approach is particularly evident in the manufacturing of concrete blocks, including innovative products like the 'Bloc à Bancher' (BAB). In 2023, UBP accelerated its automation efforts by implementing advanced Supervisory Control and Data Acquisition (SCADA) systems across two manufacturing facilities, namely Saint-Julien and Plaine Magnien. UBP has also worked on improving its logistics processes, which are essential for maintaining competitiveness, supply chain resilience and job sustainability.

Key challenges and strategic response

UBP is particularly exposed to fluctuating freight costs and exchange rates, which significantly impacted its costs in 2024, adding financial risks to its operations. Limited storage capacity for cement further complicates production continuity, making effective supply chain management crucial for operational success.

Premix

Premix relies heavily on its manufactured capital to boost operational efficiency and meet the growing demands of the construction industry. Its assets include a fleet of truck mixers, state-of-the-art production plants, and an automated system for managing ordering, processing, invoicing, and reporting. Additionally, a GPS system is in place to facilitate real-time delivery tracking, which in turn optimises both logistics and production planning.

To maintain this efficiency, Premix places strong emphasis on continuously upgrading and maintaining its equipment and systems. Regular maintenance of truck mixers and production facilities ensures minimal downtime and sustains high productivity levels. Furthermore, Premix is committed to continuously enhancing its automated systems to minimise errors and further streamline its processes.

Key challenges and strategic response

By nature of its activities, Premix faces challenges related to the upkeep of its assets and equipment, along with external factors like fluctuations in freight costs and exchange rates, which could increase the overall expense of maintaining and upgrading its manufactured assets. To mitigate these risks, Premix's strategy is centred on the ongoing and continuous modernisation, maintenance and upgrading of its equipment to ensure efficient operations.

Drymix

Drymix's manufactured capital comprises specialised equipment and fully automated production systems, which are strategically managed to ensure consistent quality and operational efficiency. This past year, in line with its strategy to continuously invest in durable equipment and process optimisation, Drymix focused on improving its production lines and ensuring the smooth functioning of its automated systems.

Key challenges and strategic response

Drymix is currently exploring solutions to its operational challenges, including a dependency on Original Equipment Manufacturer (OEM) parts, limited space for storing finished goods, and constraints in the current production capacity to meet the growing market demand.

MANUFACTURED CAPITAL

KEY INITIATIVES IN FY2024 (CONTINUED)

Espace Maison

Espace Maison operates an extensive retail infrastructure, including six stores across Mauritius, a fleet of delivery vehicles, warehousing facilities, as well as essential equipment such as forklifts, trucks with cranes, handheld scanners, and tablets to support its retail operations and delivery network. This infrastructure also plays an important role in supporting the local economy by providing jobs and by making a wide range of products available to Mauritian consumers.

Additionally, Espace Maison makes continuous investments in technology to modernise its operations. Crucial initiatives include working on a racking and planogram system to optimise storage and inventory management.

Key challenges and strategic response

Key challenges for Espace Maison include maintaining the operational efficiency of its delivery fleet, managing the risks of technological obsolescence, and addressing issues related to increased storage capacity needs. The availability of skilled drivers and maintenance personnel, along with the concentration of warehouse capacity for specific items, also pose operational risks.

Gros Cailloux

Gros Cailloux's manufactured capital includes its production equipment, infrastructure, and transportation assets, all of which are optimised through strategic resource allocation and interdepartmental cooperation. For instance, landscaping tools and resources are shared with the nursery division, demonstrating an efficient use of available assets. The company also secures necessary equipment through strategic sourcing, primarily from Espace Maison, allowing Gros Cailloux to leverage its relationship with other Group entities.

Key challenges and strategic response

One of the primary challenges faced by Gros Cailloux is the need to standardise procurement practices and discount policies to ensure consistent and fair terms across all purchasing activities.

STRENGTHENING FOUNDATIONS: UBP'S COMMITMENT TO THE LOCAL ECONOMY

#1 UBP's 'Bloc à Bancher': Revolutionising Construction Efficiency

Context

At UBP, innovation is a cornerstone of product development, as evidenced in the Smart Block range, known for its advanced engineering and efficiency. The most recent addition to this range, the 'Bloc à Bancher' '(BAB), was launched in 2023 to provide an economical and effective solution for constructing robust structures, including swimming pools.

Response:

The BAB stands out for its unique blend of lightness and durability, weighing 25% lighter than traditional concrete blocks. This significant reduction in weight not only facilitates easier handling on construction sites, but also accelerates the building process, resulting in a less labour-intensive and more efficient workflow.

One of its key advantages is its ability to simplify the construction process by eliminating the need for wooden formwork, enabling the smooth positioning of steel reinforcement. This innovation allows for a 15% to 25% reduction in overall construction costs, without compromising on quality, while also minimising waste and promoting more environmentally friendly building practices. UBP's BAB is particularly well-suited for constructing swimming pools, and equally effective for building tanks, retaining walls, and other reinforced concrete structures.

MANUFACTURED CAPITAL

#2 Optimising Operations: UBP Ltd.'s Digitalisation and Automation Journey (SCADA Project)

Context

With increasing demand for efficiency and operation excellence, UBP Ltd., recognises the need to stay ahead of market trends, and has since 2023, launched a modernisation project on its Saint-Julien site, aiming to streamline operations, reduce manual intervention, and improve the overall efficiency of production processes. The primary objectives of this project include increasing productivity and reallocating employees to roles where they can provide more value-added contributions.

Response:

The ongoing implementation of the automation system at the Saint-Julien site has been a significant undertaking for UBP Ltd., involving training and adaptation for the human resources. During the implementation stage, it became evident that the learning curve was steeper than initially anticipated. However, these challenges have provided valuable lessons, enabling UBP to fine-tune the parameters within the system and improve its processes. Building on the experience gained at Saint-Julien, UBP has started the duplication phase of the Modernisation project on its Plaine Magnien site.

As the automation system continues to be fine-tuned, UBP is now beginning to measure the impacts of the system at Saint-Julien. These metrics will provide valuable insights into the system's effectiveness, guiding future implementations and improvements across other sites.

INTELLECTUAL CAPITAL

Intellectual Capital represents our intangible, knowledge-based assets, encompassing our collective expertise, proprietary systems, patents, copyrights, trademarks, and the overall intellectual property portfolio. These resources are vital drivers of innovation and differentiation, forming the foundation of our competitive edge and long-term growth potential.

KEY NUMBERS ACROSS THE GROUP

Number of certifications:

ISO 9001:2015 – Quality Management System

ISO/IEC 17025: 2017- Laboratory Management System

MauriCert Product Certification: 2

QB certification by Centre Scientifique et Technique du Bâtiment (CSTB): In progress (01)

Academic partner:
1 (The University of Mauritius)

Ongoing Research and Development projects:
>10

New trademark registration:
BAB ('Bloc à Bancher')

STRATEGIC MANAGEMENT OF THIS CAPITAL

The Group continuously strengthens its intellectual capital through ongoing innovation in product development, the formalisation of SOPs, and investments in digital transformation to enhance operational efficiency and data management. Sustainability is central to the Group's approach to managing intellectual capital, ensuring that environmental considerations are taken into account during the development of any process or product. In 2024, the Group focused on maximising the use of its advanced systems, managing and leveraging its data, and maintaining essential ISO certifications. These efforts are aimed at maintaining a competitive edge in the market, despite challenges related to outdated technology and competitive pressures.

KEY INITIATIVES IN FY2024

UBP

UBP's intellectual capital is built on its negotiation expertise, innovative product development, and implementation of Standard Operating Procedures (SOPs). The company places strong emphasis on research and development, particularly in developing sustainability-driven products and improving end-of-life processes to minimise environmental impacts. UBP actively supports knowledge management, ensuring that expertise is well documented and disseminated across the organisation to maintain operational continuity and foster innovation. Targeted investments in digital transformation, such as the implementation of a Laboratory Information Management System (LIMS), further strengthen its intellectual capital by boosting data accuracy and supporting R&D activities.

Key challenges and strategic response

UBP faces challenges such as potential inefficiencies in transferring skills, risks of intellectual property infringement, and the ongoing race to stay ahead in product development. To address this, UBP has introduced an on-the-job training and a mentoring system, which enables experienced workers to transfer their knowledge and expertise to newer workers, ensuring that valuable skills and insights are preserved. Additionally, the Group's HR team is working closely with on-the-ground teams to facilitate succession planning and ensure a seamless transition of know-how within the organisation.

Premix

Premix's intellectual capital is underpinned by technical know-how, the development of Environmental Product Declarations (EPDs), ISO certifications, and proprietary software such as "Deltamix". These elements are crucial for delivering cutting-edge construction solutions, and maintaining a competitive advantage on the market. Central to Premix's intellectual capital strategy is achieving and maintaining ISO certifications, particularly ISO 9001:2015, which reflects its commitment to quality management and continuous improvement. This certification helps ensure that products and services consistently meet customer expectations and regulatory requirements.

Key challenges and strategic response

Premix faces ongoing challenges in fostering innovation and managing the risks associated with IT dependency, which could affect operational efficiency. Close collaboration with suppliers offers opportunities to address these challenges and ensure timely delivery of solutions.

Drymix

Drymix leverages its intellectual capital through a dedicated Research and Development (R&D) team, responsible for consistently innovating products, supported by a skilled mid-management team that offers strategic guidance. Drymix's commitment to digital transformation is exemplified through the introduction of a Laboratory Information Management System (LIMS), which modernises operations and enhances product quality. To further enrich its intellectual capital, Drymix aligns its products with LEED rating systems, actively pursues the QB (Qualité Bâtiment) certification, and integrates ISO 9001:2015 standards, all of which reinforce its reputation and competitive position in the construction materials sector.

Key challenges and strategic response

Drymix recognises the need for effective succession planning to ensure leadership continuity and safeguard of proprietary formulations and data within a competitive landscape.

INTELLECTUAL CAPITAL

KEY INITIATIVES IN FY2024 (CONTINUED)

Espace Maison

Espace Maison leverages this capital by developing and implementing proprietary systems, including customer loyalty programmes and internal stock management, which relies on an Enterprise Resource Planning (ERP) system initially installed in 2017. Espace Maison also aims to maintain exclusive distribution rights for certain brands. Additionally, the development of digital tools, such as the Club Espace Maison mobile application, are crucial for reducing labour and printing costs, and particularly in managing the 30,000 products in Espace Maison's extensive inventory.

Key challenges and strategic response

Espace Maison recognises the increasing need for cybersecurity and data privacy as it advances on its digitalisation transformation. In response, it recognises the need to keep its systems up-to-date and relevant, with a strong focus on internal security measures such as disaster recovery plans, firewalls, and other protocols.

Gros Cailloux

Gros Cailloux Nature Park and Leisure division effectively leverages its intellectual capital assets, such as permits, SOPs, specialised software, and a strong brand image. These components are essential for streamlining operations, ensuring regulatory compliance, enhancing the customer experience, and maintaining a strong market presence. In a drive to enhance its project presentation capabilities, Gros Cailloux has developed a strategy to collaborate with landscape designers on larger-scale projects requiring more advanced design expertise. Alongside this, it has earmarked a portion of its 2024/25 budget to invest in specialised software to support internal project designs.

Key challenges and strategic response

Gros Cailloux is now working to fully embed these initiatives across all levels of the organisation, drive innovation while navigating financial constraints, and meet client demands for high-quality and more professional 3D plans.

STRENGTHENING FOUNDATIONS: UBP'S COMMITMENT TO GROWING THE LOCAL ECONOMY

#1 Achieving Excellence: ISO 9001:2015 Certification at Premix

Context

In 2021, the UBP Group completed the full integration of Premix, focusing on driving operational efficiencies and standardising processes. By 2022, Premix had successfully aligned with UBP's objectives and formalised its internal procedures, laying the foundation for enhanced quality management. In 2023, Premix embarked on the journey to obtain the **ISO 9001:2015 certification** (Quality Management Systems – Requirements), a globally recognised quality management standard.

Response:

In FY2024, Premix proudly achieved the **ISO 9001:2015 certification (Quality Management Systems – Requirements)**, a major milestone reflecting several years of hard work and dedicated planning. The rigorous certification process involved a thorough assessment of all documented processes to ensure they met the stringent requirements of the ISO framework. As a result of having a more structured and documented way of working, Premix has seen notable improvements, including improved operational efficiency, reduced errors, and elevated customer satisfaction.

The Quality Management System (QMS) at Premix fosters continuous improvement and adaptability to market changes, equipping employees with clear guidelines that promote accountability and drive excellence. Achieving this certification not only boosts Premix's reputation and competitive position, but also allows it to participate in larger projects and contribute to the growth of the local construction industry.

INTELLECTUAL CAPITAL

#2 Digital Transformation at Drymix - Implementing LIMS for Future-Ready Operations

Context

In 2021, Drymix embarked on its Laboratory Information Management System (LIMS) project as part of its larger digital transformation strategy. Recognising the growing need for efficient data management and protection, especially in the construction materials industry, which relies heavily on precise formulations and quality control, Drymix decided to explore more robust data management systems. While it previously stored its vast quantities of data, including sensitive information, in Excel files, the method posed significant risks and inefficiencies. The LIMS project was initiated in response to these challenges by digitalising information management.

Response:

Since its launch in 2021, the LIMS project has seen remarkable progress, fundamentally transforming Drymix's data management processes. During the initial phase, Drymix developed a customised software system tailored to meet its specific requirements. This system introduced a more secure, structured method for managing data, ensuring both informational accessibility and protection, and laying the groundwork for future R&D initiatives and analyses.

Currently in Phase 2, Drymix is migrating data from traditional formats like hard copies and Excel spreadsheets to the new system, significantly improving both data security and processing efficiency. The standardisation of data has already begun to yield positive effects on R&D and quality control. Looking ahead, upcoming phases will integrate AI and machine learning capabilities, further driving innovation and operational efficiency. By digitalising data management, Drymix is positioning itself for growth, while continuing to support the local economy through cutting-edge solutions and high product standards.

#3 Elevating Standards: Contributing to LEED Projects and Pursuing QB Certification at Drymix

Context

In response to the growing emphasis on sustainability and quality in the construction industry, Drymix has taken proactive steps to align its products with internationally recognised standards. Understanding the need for building materials that meet stringent performance criteria and contribute positively to environmental and human health, Drymix has aligned its efforts with global trends and best practices. To achieve this, it is pursuing certifications like LEED (Leadership in Energy and Environmental Design) and QB (Qualité Bâtiment), both of which are benchmarks for excellence in sustainable construction.

Response:

In 2024, Drymix ensured that eight of its products contributed to **LEED credits** in various construction projects. Although LEED does not certify individual products, Drymix's focus on low-VOC (Volatile Organic Compound) materials supports projects working to earn the LEED credits, as the use of low-VOC materials contributes to improved indoor air quality and environmental health.

Building on this momentum, Drymix is also pursuing the **QB Certification**, the French equivalent of MauriCert administered by the **CSTB (Centre Scientifique et Technique du Bâtiment).** The certification evaluates both product and process quality, attesting the reliability of the production process and the high level of quality of products. Having prepared the necessary documentation and processes, Drymix is now awaiting the final audit by CSTB. Achieving this certification will significantly enhance Drymix's market competitiveness, especially within the European Union, where such credentials are highly valued.

Through these certification initiatives, Drymix is not only establishing itself as a leader in sustainable, quality-driven building materials, but it is also ensuring that its products contribute positively to both the environment and the communities it serves.

INTELLECTUAL CAPITAL

#4 Enhancing Quality Management through ISO 9001:2015 Integration at Drymix

Context

Drymix holds the ISO 9001:2015 certification, a globally recognised standard for quality management systems. However, in its initial implementation, the standard was primarily applied at an administrative level, limiting its impact on driving meaningful operational improvements, as its potential was not being fully harnessed. Recognising this gap, Drymix has recently taken significant steps to deepen the integration of the ISO 9001:2015 framework into its day-to-day operations in pursuit of enhanced compliance, service quality and operational efficiency.

Response:

Over the past year, Drymix has made substantial progress in embedding the ISO 9001:2015 standard more deeply into its organisational culture. Central to this transformation is the company's Service Excellence programme, which encourages a proactive approach to quality management. As a result, the ISO framework is increasingly being used to improve operational processes, making quality management a core aspect of daily operations rather than a mere administrative formality.

To ensure this shift is measurable and sustainable, Drymix is developing Key Performance Indicators (KPIs) aligned with the ISO standard. These KPIs are expected to provide valuable insights into the company's progress, helping identify areas for further improvement, and ensuring that quality management principles are consistently applied across all levels of the organisation.

Drymix recognises the need for further integration of the ISO 9001:2015 standard into its core operations to fully unlock its benefits for both the company's operations and its customers, while also reinforcing its role in local and regional development.

SOCIAL CAPITAL

Social capital embodies the intangible value generated from our relationships, social networks, and interactions with our stakeholders, rooted in trust, reciprocity, and active engagement. By fostering strong connections and collaboration, we aim to create a supportive environment that drives mutual benefits.

KEY NUMBERS ACROSS THE GROUP

Number of website visitors:
UBP: 74,037 Premix: 6,800 Espace Maison: 414,241

CSR amount spent: Rs 1,449,280

Education: 56%

Socio-economic development: 26%

Environment: 9%

Exclusion: 9%

Extra sponsorship amount spent: Rs 1,269,318

Education: 3% Sports: 45%

Poverty: 6% Society: 8%

Culture: 29% Sustainable Development: 9%

Social media likes and followers:

Facebook
UBP: 34,000 likes
37,000 followers

Premix: 11,000 likes
12,000 followers

Drymix: 9,400 likes
10,000 followers

Espace Maison: 118,000 likes
126,000 followers

Tik Tok
Espace Maison: 17,900 likes
9,800 followers

Instagram
Espace Maison: 15,600 followers

STRATEGIC MANAGEMENT OF THIS CAPITAL

The Group strategically manages its social capital by building strong community relationships, and engaging in CSR initiatives that support the local economy and align with broader societal goals. Our Corporate Social Responsibility (CSR) initiatives reflect a strong commitment to our social capital, driven by impactful partnerships across four key areas: education, socio-economic development, environmental stewardship, and social inclusion. Over the past financial year, we supported 15 NGOs, creating meaningful change through targeted programmes.

Education: In partnership with 'Konekte', we delivered in-class programmes in three schools, equipping children with psychosocial skills such as empathy, effective communication, and adaptability.

Socio-economic development: We collaborated with Le Pont du Tamarinier's 'Lee Mo Yo' Project, which facilitated access to decent housing to 20 families in Bambous through a public-private partnership in an effort to drive social stability.

Social inclusion: We contributed to renovations at Le Centre d'Accueil de Terre Rouge, designed to upgrade its facilities to better serve those in need.

Environment: We supported the Mauritian Wildlife Foundation's 'Anse Quitor Restoration Project' in Rodrigues, dedicated to restoring and safeguarding native habitats and biodiversity, while actively engaging local communities in conservation efforts.

Beyond these initiatives, UBP allocated Rs 1,269,318 in sponsorship funding, enabling us to extend our reach to projects in education, sports, poverty alleviation, culture, and sustainable development. Through these collective efforts, we remain dedicated to fostering resilient communities and creating lasting social impact.

We engage frequently and continuously with all our stakeholder groups, enhancing the living environment for people and communities, while also focusing on customer satisfaction through continuous engagement and tailored services. Compliance with the New Environment Bill 2024 further strengthened these efforts, as it contributes to national environmental objectives, deepening trust with communities and society.

KEY INITIATIVES IN FY2024

UBP

UBP is dedicated to nurturing community relationships through initiatives such as the Service Excellence programme, which enhances customer service by providing employee training. It has also reinforced its ties with small planters, helping level plantations to boost productivity. CSR efforts, for their part, are centred on infrastructure, environmental conservation, and strategic partnerships in education and healthcare. The set up of a Corporate Sustainability Committee (CSC) in 2024 marks a significant step in its sustainability journey, ensuring that ESG principles are integrated into UBP's strategy, and that sustainability initiatives align with both corporate and societal objectives.

Key challenges and strategic response

UBP recognises the importance of managing community expectations, particularly concerning the environmental impact of dust and noise generated as by-products of its production processes. To address these challenges, UBP proactively seeks out innovative methodologies, technologies and sustainable practices that help it contribute positively to the environment and the community at large.

Premix

Customer relationships and community engagement are central to Premix's strategy. The Sales and Production teams play an important role in this, collaborating closely with clients to provide technical solutions and facilitate a steady supply of concrete. This hands-on, tailored approach allows Premix to deliver customised services that meet clients' specific needs, further strengthening its relationships with them.

Key challenges and strategic response

Effectively managing customer complaints is a priority for Premix, as unresolved issues or mishandled grievances could undermine its brand reputation. To address this, Premix is implementing a system designed to improve response times and service levels. This approach involves ensuring customer complaints are tracked and recorded, dispatching technical teams for on-site assessments when necessary, and providing continuous follow-up for customers to feel supported throughout the resolution process.

SOCIAL CAPITAL

KEY INITIATIVES IN FY2024 (CONTINUED)

Drymix

Drymix actively cultivates and enhances its social capital through a variety of initiatives, including dedicating 25% of its CSR budget to a special needs school, and investing in educational programmes designed to nurture local talent and support regional development. These efforts not only promote wellbeing and inclusivity, but also drive socioeconomic growth that benefits both the community and the company. Additionally, Drymix has strategically expanded its sourcing operations by establishing new partnerships that complement its existing supply chains. Drymix emphasises regular engagement and direct interactions with its strategic partners to ensure these collaborations are long-lasting and productive.

Key challenges and strategic response

Drymix is carefully managing certain strategic partnerships to ensure they align with business goals while delivering mutually beneficial outcomes. It recognises that achieving this balance requires a proactive approach, involving ongoing communication and collaboration with partners to identify and address shared interests.

Espace Maison

Espace Maison actively engages customers through innovative initiatives designed to foster community involvement and promote brand loyalty. For instance, the garden competition encourages participants to showcase their gardening skills, with prizes sponsored by Gardena, a valued supplier. Espace Maison also hosts workshops in Tamarin on painting, DIY projects, and the use of tools like paint sprayers and power tools, providing hands-on training for both professionals and enthusiasts.

Espace Maison's loyalty programmes play a crucial role in building lasting relationships with its customers. To take its efforts further and deepen engagement, it is revamping its mobile application, introducing new features and functionalities beyond basic loyalty cards.

In addition to these customer-focused efforts, Espace Maison remains committed to supporting local craftsmanship and the Mauritian economy. It sources sea salt from the Yemen salt pans in Tamarin and, in 2024, it reinforced this commitment by exclusively procuring wood and other materials from local suppliers, aligning its sourcing practices with environmental sustainability and socially responsible goals.

Key challenges and strategic response

Espace Maison's increased social media presence and ongoing development of its mobile application present inherent risks, such as potential hacking. In response, it is setting up robust cybersecurity measures to safeguard its digital platforms and uphold customer trust as it continues to innovate to enhance its digital offerings.

Gros Cailloux

Gros Cailloux has implemented several initiatives aimed at strengthening relationships with employees, customers, and the community, including team-building activities and the Service Excellence programme. It has also developed strategic partnerships that reinforce its competitive edge and social capital:

- Exclusive collaborations with Espace Maison to enhance distribution.
- Partnership with the Orchid Society of Mauritius to foster community involvement.
- Active social media presence, with over 110,000 followers boosting community engagement.
- The Nature Park and Leisure division benefited from notable partnerships, including a 15,000-euro sponsorship (MUR 750,000) from the Brigitte Bardot Foundation, strong relationships with five tour operators and seven sponsors, and a diverse customer network with 150 schools.
- Collaborations with the Mauritius Chamber of Agriculture and the University of Mauritius on smart agriculture and compost training to promote innovation

To maintain high levels of customer satisfaction, Gros Cailloux employs a comprehensive feedback system across platforms such as Facebook, Instagram, TikTok, and LinkedIn, allowing customers to offer feedback at any time. Each response is managed by the Brand Department, ensuring timely follow-ups and driving continuous improvement.

Additionally, Gros Cailloux plays a key role in supporting local employment and community initiatives, contributing to job creation and economic growth. One of its flagship initiatives is the **'Dimin Compost'** initiatives, which promotes sustainable agriculture by improving soil health, reducing waste, and boosting local production.

Key challenges and strategic response

Gros Cailloux faces the challenge of balancing financial pressures while ensuring that partnerships remain aligned with its business objectives. Equally, its growing presence on social media platforms expands its reach, but also increases its vulnerability to online reputational risks, requiring proactive management to uphold a positive brand image.

STRENGTHENING FOUNDATIONS: UBP GROUP'S COMMITMENT TO THE LOCAL ECONOMY

1 Celebrating Independence: UBP, Premix, and Drymix unite to Honour Mauritian Heritage

Context

In honour of Mauritius' Independence Day, UBP launched a campaign to showcase its deep-rooted connection with the country's development. Building on the momentum of its 70th-anniversary campaign in 2023, this initiative reinforced and reaffirmed UBP's dedication to both the local economy and cultural preservation.

Response:

The campaign was marked by several key elements, including collaboration with local artists and a partnership with the "Made in Moris" label, a collective that promotes local craftsmanship and products. UBP, Premix and Drymix all proudly carry this label, emphasising their role in championing the local know-how. Notably, UBP and Drymix were among the founding members of this initiative.

The central piece of the campaign was an original song crafted to convey UBP's strong ties to Mauritius and evoke a sense of national pride. The accompanying music video and digital campaign, featuring four prominent local artists, quickly went viral, garnering over 5 million views on social media platforms. The remarkable engagement levels illustrate the power of combining art and industry to craft a message that resonates deeply with the community.

By anchoring the campaign within the context of supporting the local economy, UBP demonstrated that its role and influence in Mauritius extend beyond its industrial activities; rather, it strives to be a driving force for economic growth, a custodian of Mauritian heritage, and a vital contributor to a thriving, interconnected community.

SOCIAL CAPITAL

#2 Espace Maison-Preserving Heritage: Supporting Yemen Sea Salt Production

Context

Sea salt production in Mauritius is a craft steeped in tradition, tracing back to the French colonial period when the first saltpans were established in Port Louis by Mr de Caudan. His name has since become synonymous with this historic industry. Over the centuries, the artisanal method of extracting salt from the sea has woven itself into the cultural identity of Mauritius, particularly in the Tamarin region, where the Yemen saltpans have continued this time-honoured practice. Despite its historical significance, the industry faces challenges from changing economic conditions and the encroachment of modernisation, which threaten to overshadow these traditional practices.

Response:

As the local economy evolves, heritage sites like the Yemen saltpans are at risk of being lost or overlooked in favour of more commercially lucrative ventures. Recognising this threat, Espace Maison began supporting the Yemen saltpans in 2018, by purchasing 95% of its sea salt production. To date, 912 tonnes of salt have been purchased. This initiative, beyond commerce, is an international effort to protect an industry that has been vital to the local economy for generations.

The sea salt harvested from the Yemen saltpans is not only of exceptional quality, but also versatile enough for culinary applications. It has also carved out a niche market as an additive for saltwater chlorinated pools, highlighting both the adaptability of traditional products in modern contexts, while reinforcing the connection between heritage and contemporary needs.

#3 Loyalty with a Cause: Espace Maison's Customer Loyalty Initiative

Context

Customer loyalty has always been a key priority for Espace Maison, serving as a cornerstone for its long-term success. With this in mind, it implemented a loyalty programme that rewards customers with points for every purchase, which can later be redeemed for discounts or other benefits. In line with industry best practices, loyalty points expire annually to maintain a healthy balance sheet. However, Espace Maison has faced challenges in ensuring that customers redeem these points before they expire. Despite proactive measures, such as advance notifications and reminders at the checkout till, a significant portion of points goes unclaimed each year.

Response:

In 2021, Espace Maison transformed this operational challenge into a meaningful opportunity for social impact. It launched an initiative allowing customers to donate their expiring points to local charitable organisations, such as Caritas and the Mauritian Wildlife Foundation. This initiative, beyond managing liabilities, reflects Espace Maison's ability to align innovation with real business needs and positive community impact. It raises awareness among customers about the importance of social responsibility, while continuing to support NGOs and reinforcing its own commitment to making a positive difference.

GROUP PERFORMANCE

GROUP CFO's INTERVIEW

QUESTIONS TO DHUENESH RAMBARRASSAH, GROUP CFO

Can you describe the financial structure that was put in place to support the acquisition in Reunion Island, and how it aligns with UBP's broader strategy?

The acquisition was supported by a debt financing structure. A bridging loan was secured from a Mauritian bank to finance the equity portion of the transaction, ensuring swift execution. For the debt component, a long-term loan was contracted in Reunion Island through a consortium of local banks, with the repayment being borne by the Réunionese Holding Company. This financing strategy not only allowed us to preserve our cash reserves but also to spread the financial burden over time. It aligns with our objectives of long-term value creation, reinforces UBP's regional presence, and safeguards our financial stability.

What are the implications of this acquisition for the group's risk profile, and what steps are being taken to manage this risk while ensuring continued stability?

This acquisition marks a strategic step for UBP Group as it establishes a foothold in a European territory with a significant asset base, effectively diversifying our risk across two markets and two currencies. While the gearing ratio has increased due to the financing of substantial investments over the past three years, a portion of the debt—specifically the bridging loan—has a short maturity period of three years. To further strengthen our financial position, we intend to dispose of non-strategic assets as necessary. The repayment plan has been carefully structured in collaboration with our banking partners to ensure a smooth debt servicing and maintain our financial stability.

Do you foresee any cash flow challenges arising from the integration process, and if so, what strategies or safeguards are in place to ensure the group's financial stability remains unaffected?

Since the acquisition was financed through debt, the impact on our cash flow is manageable, with the main burden being limited to the servicing of interest payments quarterly. To navigate these challenges, we are strategically managing our cash reserves to cover any unexpected expenses. Additionally, we have implemented short-term cash flow management measures to maintain flexibility, including strict financial oversight, optimising operational costs, and financing our capital expenditure needs through leasing facilities.

How does this acquisition impact UBP's dividend policy and long-term value creation for shareholders? Are there adjustments planned to maintain or enhance shareholder returns?

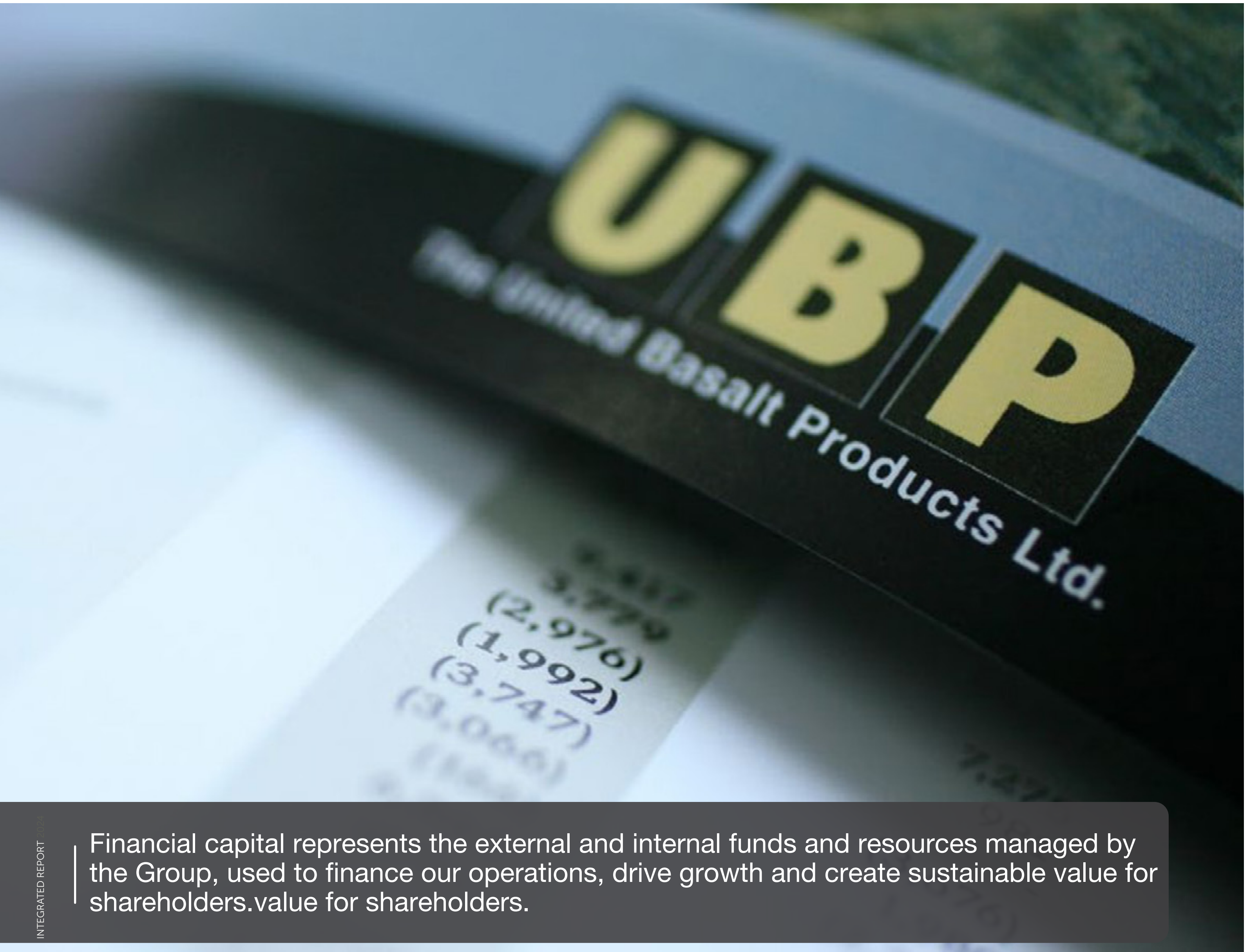
We anticipate reporting an improved profitability in FY2025, although our cash flow will remain constrained. In the short term, our focus is to maintain a stable dividend policy, our priority being the servicing of the debt. In terms of long-term value creation, this acquisition is expected to enhance profitability and strengthen our asset base, which will benefit shareholders over time.

What is your financial strategy for the next 3-5 years? Are you considering further consolidation, divestments, or shifts in capital allocation to optimise the group's financial health?

Our medium-term strategy focuses on consolidating and stabilising the Group following the recent large-scale investments. Our key priority is to optimise our existing portfolio and dispose of non-strategic assets to improve our gearing level. We are also exploring opportunities for strategic consolidation to enhance the efficiency and yield of our core operations. Additionally, we are focused on optimising our cash flow through improved financing of our supply chain and production plant and machinery.

Dhuenesh Rambarrassah
Group CFO

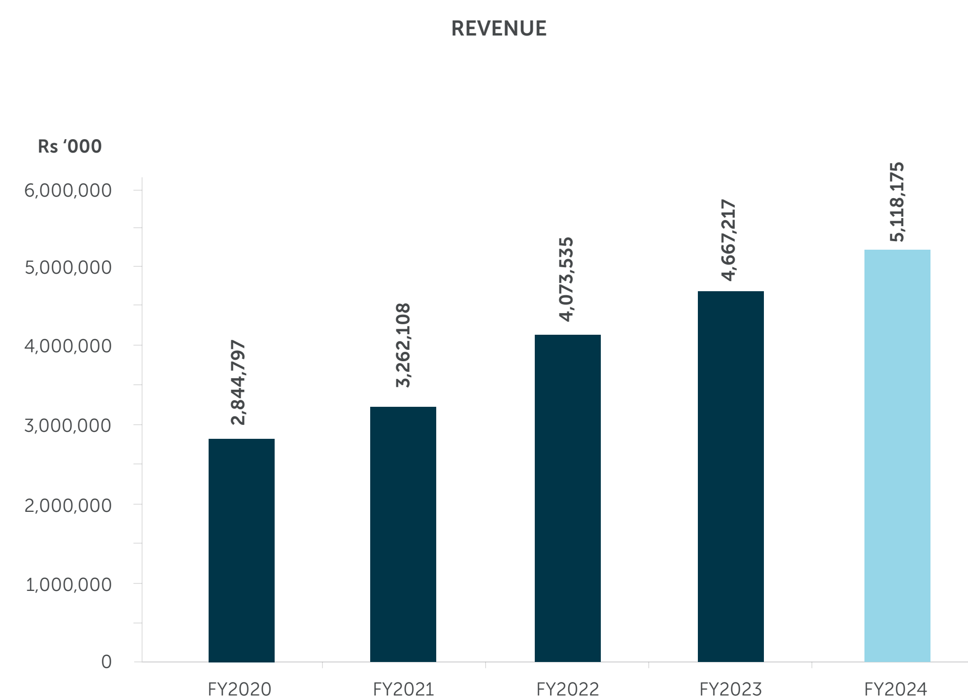
FINANCIAL CAPITAL

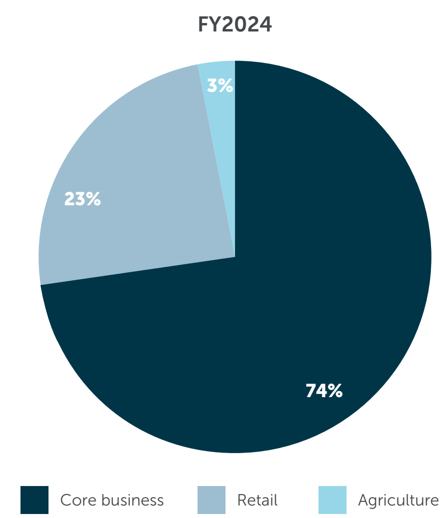


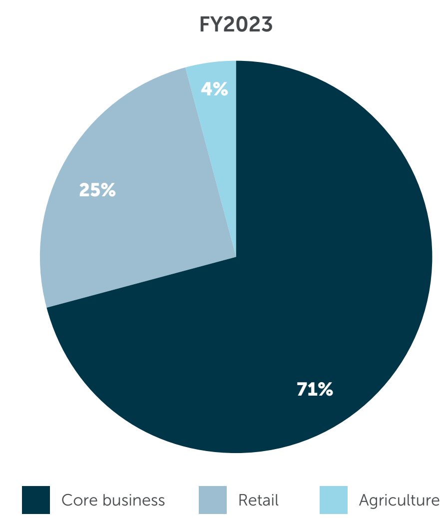
Financial capital represents the external and internal funds and resources managed by the Group, used to finance our operations, drive growth and create sustainable value for shareholders.value for shareholders.

FINANCIAL PERFORMANCE REVIEW

Our Group revenue increased by 9.7% (+Rs 451.0 million) compared to the same period in 2023. This rise was primarily driven by our core business activities coupled with the full-year consolidation of FAST (Flacq Associated Stonemasters Limited), which added Rs 168.4 million to the Group revenue increase for the year and an appreciable increase of Rs 117.5 million in Premix revenue.







FINANCIAL CAPITAL

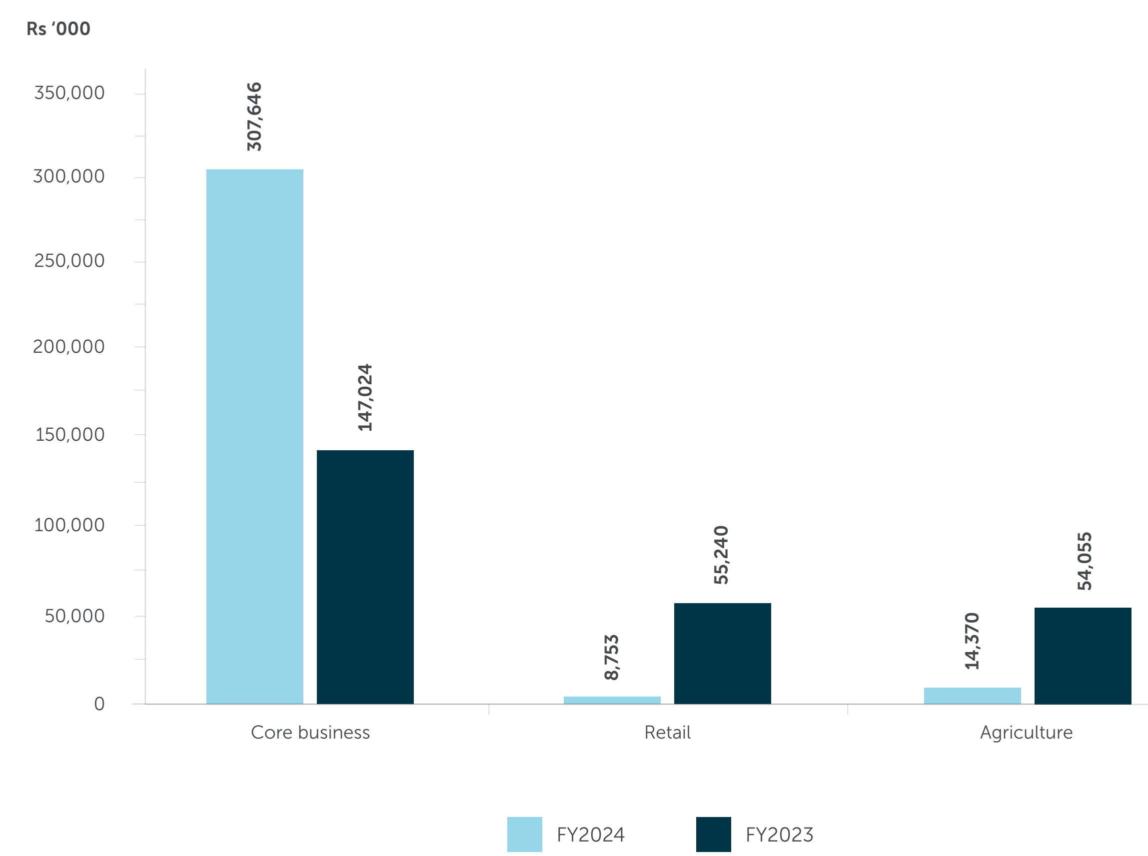
Statement of Profit or Loss

	YEAR ENDED	
	June 30, 2024	June 30, 2023
Continuing operations	**Rs'000**	Rs'000
Revenue	**5,118,175**	4,667,217
EBITDA	**785,154**	637,324
Depreciation and amortisation	**(454,385)**	(381,005)
Operating profit	**330,769**	256,319
Allowance for expected credit losses on financial assets	**369**	(19,099)
Impairment of assets	**-**	(348,100)
Finance income	**465**	957
Finance costs	**(151,047)**	(107,276)
Share of results of associates	**16,467**	13,523
Profit before tax	**197,023**	144,424
Tax (expense) / income	**(23,665)**	6,546
Profit for the year from continuing operations	**173,358**	150,970
Discontinued operation		
Profit / (loss) for the year from discontinued operation	**35,231**	(8,960)
Profit for the year	**208,589**	142,010
Non-controlling interests	**(11,308)**	(8,350)
Profit for the year attributable to equity holders of the parent	**197,281**	133,660
Earnings per share - Rs		
Basic, profit for the year attributable to ordinary equity holders of the parent	**7.44**	5.04
Dividend per share - Rs	**1.75**	-

Our **Group operating profit** increased significantly from Rs 256.3 million in 2023 to Rs 330.8 million this year. This noteworthy performance was attributed to the enhanced results of Premix and FAST. In terms of our retail segment, the operating profit saw a decrease of Rs 38.4 million mainly due to increased staff costs and pre-operating expenses relating to the re-opening of our extended Tamarin outlet. Excluding the exceptional revenue of Rs 64.9 million and operating profit of Rs 42.3 million realized on the sale of land in 2023, our agricultural segment experienced an increase in revenue of Rs 11.3 million and an increase in operating profit of Rs 3.5 million.

On the foreign front, UBP Madagascar was disposed of on June 26, 2024, while with regard to Sri Lanka, the Board has decided to postpone the disposal of our subsidiary given the unfavourable economic context prevailing in the country.

SEGMENTAL REPORTING PROFIT



FINANCIAL CAPITAL

Our share of results from associates for the financial year under review increased by 21.8% compared to that of the previous financial year due to the improved performance of Terrarock Ltd.

Our Group **EBITDA** increased by 23.2% from Rs 637.3 million for FY2023 to Rs 785.2 million for the financial year under review. After taking into consideration the net impact of the disposal of shares in UBP Madagascar, our Group profit increased from Rs 142.0 million for FY2023 to Rs 208.6 million for the financial year under review. **Earnings Per Share** likewise increased from Rs 5.04 for FY2023 to Rs 7.44 for the financial year under review.

Statement of Financial Position

	YEAR ENDED	
	June 30, 2024	June 30, 2023
	Rs'000	Rs'000
Total assets	**9,457,181**	7,713,571
Interest bearing loans and borrowings	**3,791,797**	2,337,317
Borrowings excluding bank overdrafts	**3,582,560**	1,900,835
Equity attributable to shareholders of the parent	**4,298,015**	4,215,442
	Rs	Rs
Net assets value per share	**162.13**	159.01

Financial Ratios	**2024**	2023
Operating margin - %	**6.46**	5.49
Interest cover - times	**2.30**	2.35
Dividend cover - times	**4.25**	-
Return on equity - %	**4.59**	3.17
Return on assets - %	**2.09**	1.73
Debt to equity - times	**0.88**	0.55

CAPITAL EXPENDITURE INVESTMENTS

Our Group invested Rs 502.9 million in capital expenditure (including Right of Use Assets) for FY2024 as detailed below :

	FY 2022	FY 2023	**FY 2024**
	Rs'000	Rs'000	**Rs'000**
Freehold land & buildings	44,179	64,740	**156,161**
Leasehold & land improvement	205	-	**-**
Plant & equipment	203,125	299,088	**196,051**
Motor vehicles	30,198	11,475	**20,330**
Asset in progress	103,960	219,166	**28,373**
Total investment in Property, Plant & Equipment	381,667	594,469	**400,915**
Investment in intangible assets	21,613	24,447	**9,620**
Investment properties	-	-	**-**
ROU Assets excluding land & buildings	105,890	150,502	**92,359**
Total	509,170	769,418	**502,894**

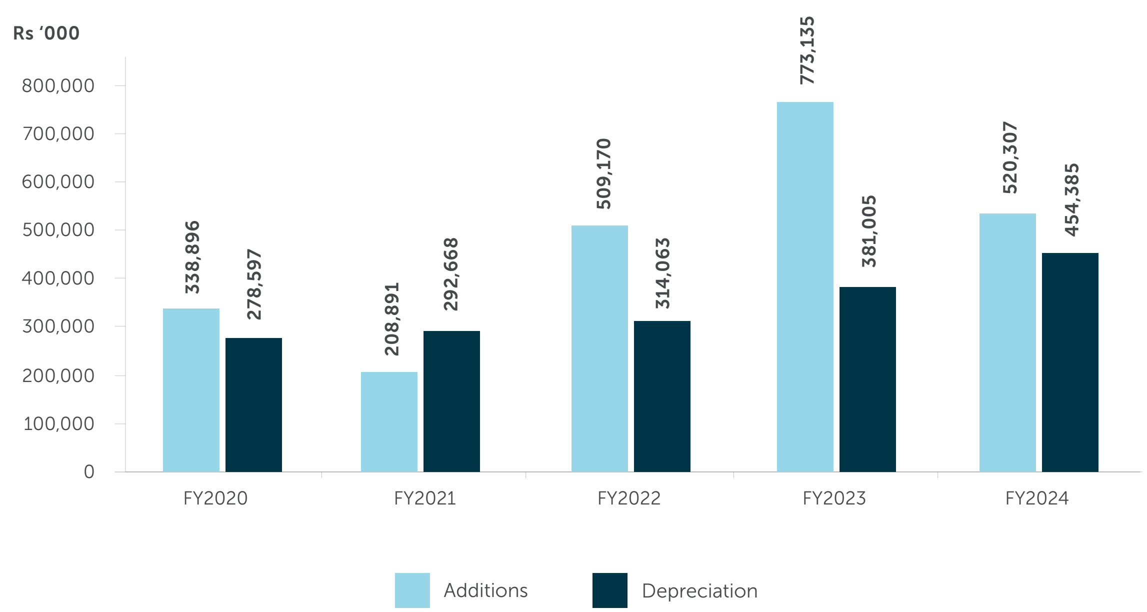
The core business activities segment related mainly to the new shop at Espace Maison Tamarin, several pump trucks for our ready-mixed concrete activity and the replacement of plant and machinery.

Our retail segment capital expenditure budget was spent mainly on rackings and displays for our new shop in Tamarin which opened in November 2023. As for our agricultural segment, we invested in a new irrigation system, new machinery and shadehouses for the greenhouse department.

Our investment in intangible assets for the year included mainly the development of a new website, a planogram for our merchandising, and a project management tool at Espace Maison.

FINANCIAL CAPITAL

INVESTMENT IN CAPITAL EXPENDITURE



The investment in capital expenditure, as shown in the chart above, has outweighed our yearly depreciation charge over the past five years, except for FY2021 where the Covid-19 impact forced us to defer our capital expenditure (Capex) spending. This year, the Capex investment is slighlty more than 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 digital 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 the loan of Rs 1.2 billion contracted in relation to the acquisition of Bazalt Réunion our total borrowings, including lease liabilities, increased from Rs 2.3 billion in 2023 to Rs 3.8 billion at June 30, 2024. Our Long Term Secured Promissory Note (PN) of Rs 650 million, contracted in 2018, were fully repaid in October 2023 and March 2024 through a bank loan. As a result of the above, our finance costs increased from Rs 107.3 million for FY2023 to Rs 151.0 million for this financial year. Likewise, our debt-to-equity ratio increased from 0.55 in the previous financial year to 0.86 at June 30, 2024.

EQUITY AND TOTAL SHAREHOLDERS' RETURN

The **equity attributable to shareholders** increased by 2.0% (Rs 82.6 million) from Rs 4.21 billion in the previous financial year to Rs 4.30 billion this financial year, attributable to the profit for the year, a surplus of Rs 35.2 million, net of tax, arising from the disposal of UBP Madagascar which was partly offset by a re-measurement loss of Rs 31.4 million, net of tax, on employee retirement benefit liabilities. The Board of Directors declared a final **dividend** of Rs 1.75 per share for this financial year, payable in August 2024, while our share price dropped from Rs 100.00 at June 30, 2023 to Rs 86.00 at June 30, 2024. As a result, the total shareholders' return for the year moved from -28.1% for FY2023 to -12.3% this financial year while the return on equity increased from +3.17% to +4.59%.

CASH FLOW

Cash flows generated from operations increased from Rs 672.0 million for FY2023 to Rs 704.1 million for the financial year under review. Cashflow used in investing activities stood at Rs 378.5 million this year compared to Rs 840.1 million for FY2023, which included consideration paid for the acquisition of additional shares of FAST Ltd, amounting to Rs 244.8 million. On the other hand, cashflow from financing activities has increased from Rs 247.3 million to Rs 1.6 billion attributable to proceeds from borrowings for the acquisition of the Réunion entities.

GOING FORWARD

On July 01, 2024, we successfully completed the acquisition of 90 % of the shareholding in several entities in Reunion Island. This acquisition, valued at approximately EUR 82.0 million (Rs 4.0 billion), was executed in line with the Share Purchase Agreement dated July 07, 2022. These entities are consolidated under Bazalt Limited, a wholly-owned subsidiary of UBP.

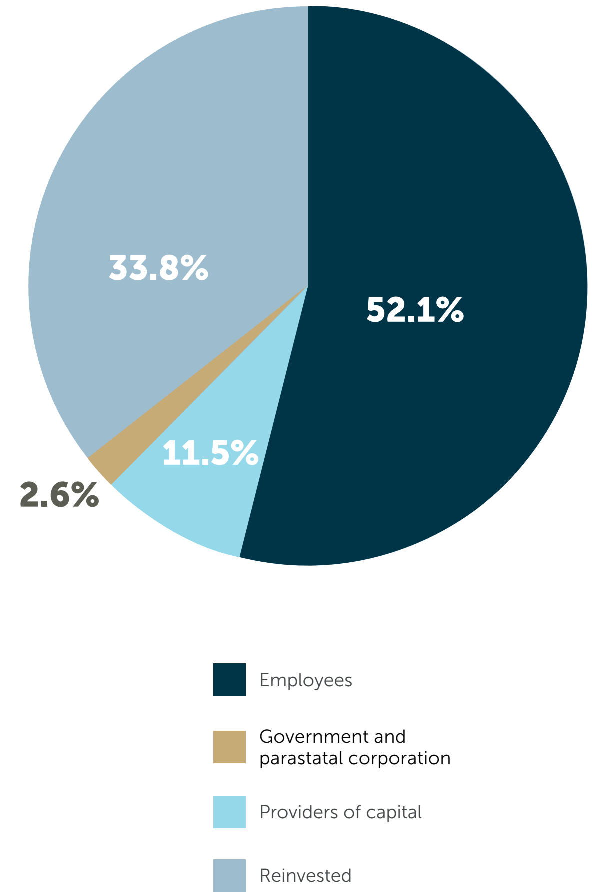
For the first two months of the current financial year, our Group's local core business revenue is comparable to last year. We are reasonably optimistic about our future performance should the property development and infrastructure projects continue to grow. Moreover, with the newly acquired entities in Reunion Island, the Group's performance for the current financial year is expected to be better than in the previous year.

FINANCIAL CAPITAL

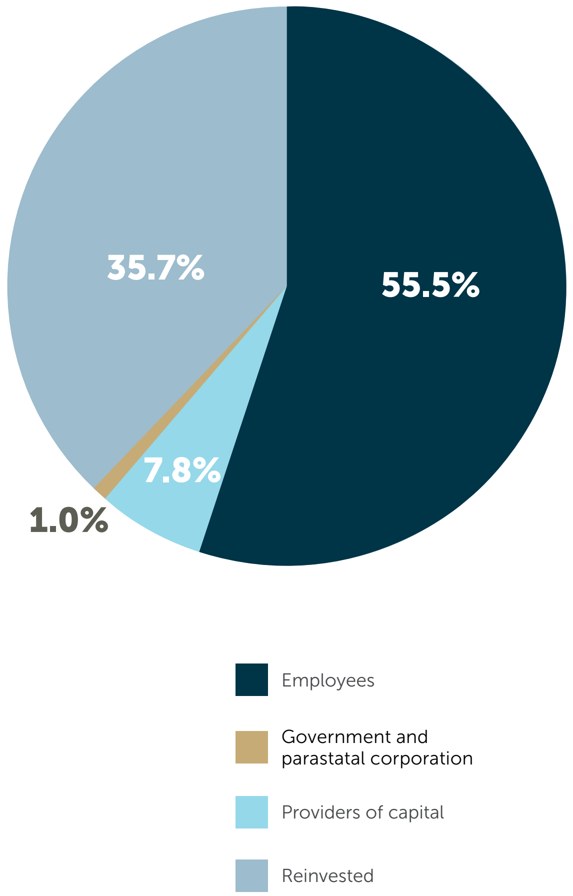
Value added statement

	YEAR ENDED	
	June 30, 2024	June 30, 2023
	Rs'000	Rs'000
Sale of goods and services	**5,118,175**	4,667,217
Paid to suppliers for materials and services	**(3,437,687)**	(3,360,968)
Value added	**1,680,488**	1,306,249
Other operating income	**112,395**	135,078
Total wealth created	**1,792,883**	1,441,327
Distributed as follows:		
Employees		
Salaries and other benefits	**934,940**	800,224
Providers of capital		
Dividend	**46,393**	-
Interest paid on borrowings	**151,047**	107,276
Dividend to non-controlling interests	**9,456**	4,891
	206,896	112,167
Government and parastatal corporations		
Income tax (current and deferred)	**23,665**	(6,546)
Environment protection fee	**18,996**	16,511
Licences and permits	**3,113**	4,306
	45,774	14,271
Reinvested in the Group to maintain and develop operations		
Depreciation and amortisation	**454,385**	381,005
Retained profit	**150,888**	133,660
	605,273	514,665
Total wealth distributed and retained	**1,792,883**	1,441,327

FY2024

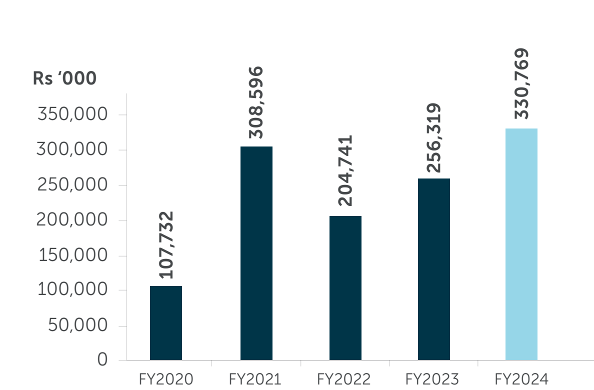


FY2023

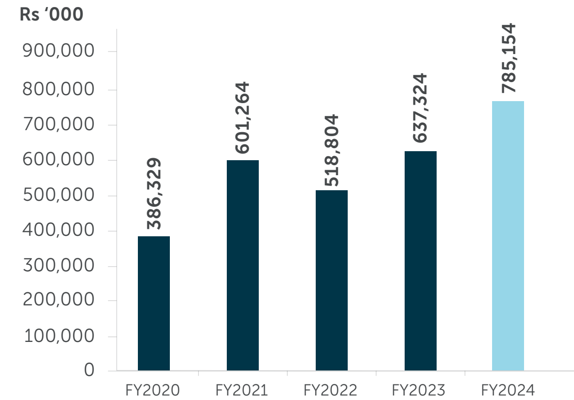


FINANCIAL CAPITAL

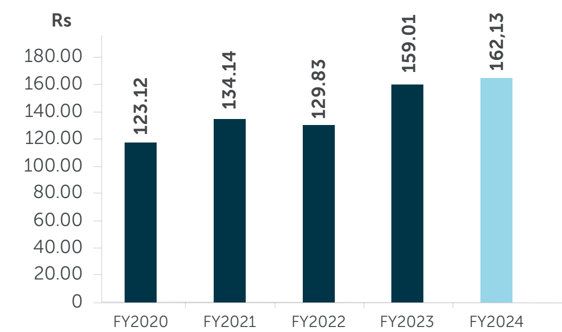
OPERATING PROFIT



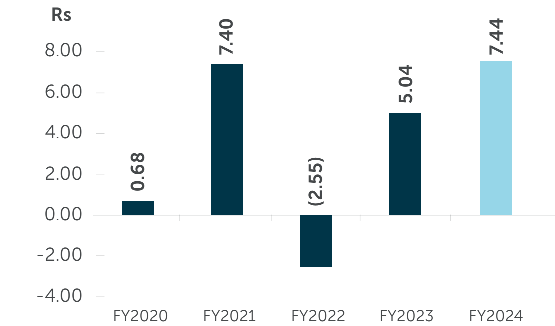
EBITDA



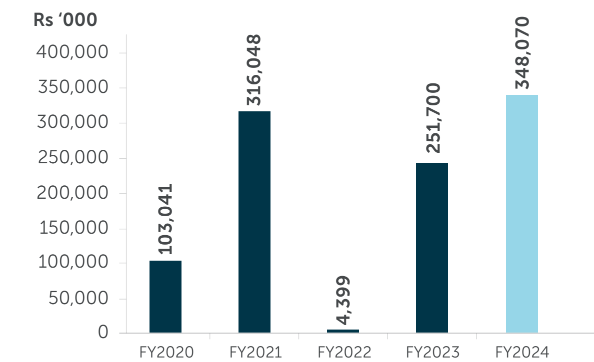
NET ASSETS VALUE PER SHARE



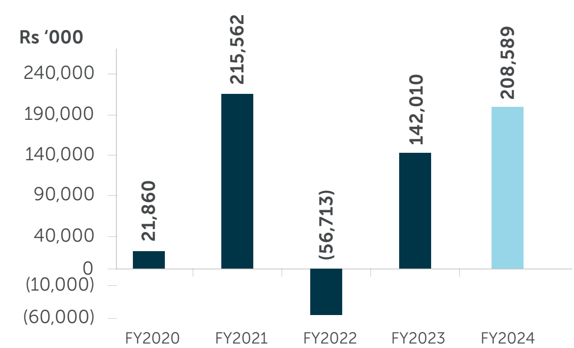
EARNINGS/(LOSS) PER SHARE



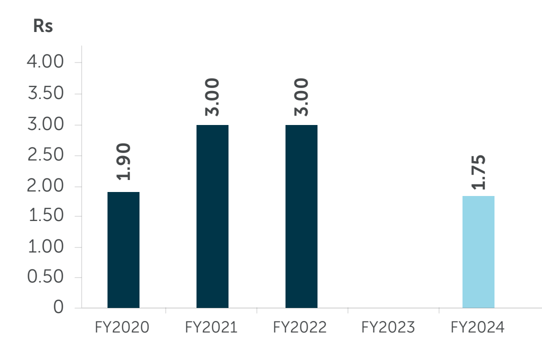
EBIT



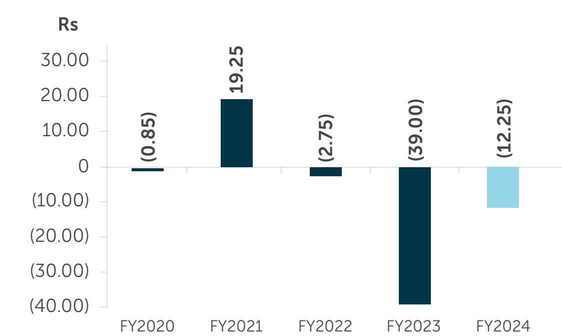
NET PROFIT/ (LOSS)



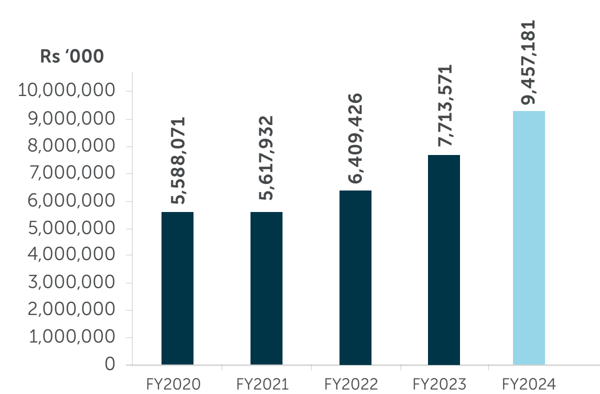
DIVIDEND PER SHARE



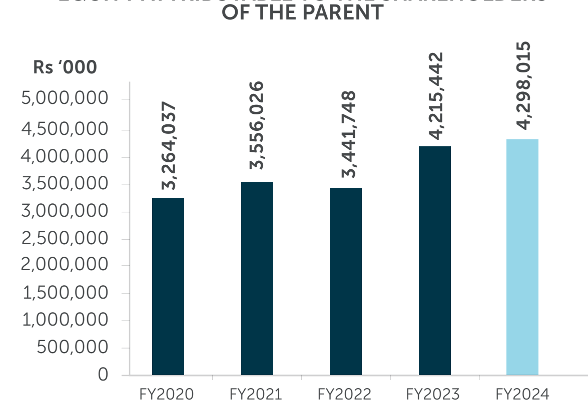
TOTAL SHAREHOLDERS' RETURN PER SHARE



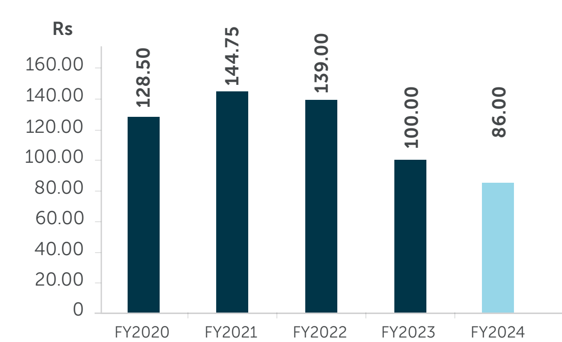
TOTAL ASSETS



EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT



SHARE PRICE



MARKET CAPITALISATION