

Group-level Functions

While each of Terra's clusters is autonomous in its decision-making, budgeting, and reporting – with each leadership team accountable for its cluster's performance – Group-level strategic guidance and support services are provided in relation to Terra's management of employees, environmental performance, and the community. This section briefly reviews the material performance and outlook of these Group-level activities.

Human resources: investing in our people

Having the right technical and leadership skills, diversity of experience, and a performance-oriented culture are fundamental to Terra's ability to generate value. Terra's Corporate Human Resources (HR) Department, supported by the HR teams at Grays and Terragri, provides strategic guidance on HR issues and various shared and value-added services. These services include customised training and development programmes, HR efficiency matrices, and remuneration and benefits policies.

Deepening our desired working cultures

Talent is a critical driver of business performance, and our ability to attract, develop, deploy and retain talent will be a significant competitive advantage far into the future. Central to this is positioning Terra as an employer of choice and deepening our desired working cultures.

We continue to track and measure desired behaviours through an annual culture index survey. In addition, we rolled out our new employee engagement survey in 2022 to assess levels of employee engagement in our clusters and identify top engagement drivers for the workforce. Undertaken in collaboration with global advisory firm Willis Towers Watson, the survey looked at the aspects of health, personal and financial well-being, diversity and development. We achieved an overall score of 80%, demonstrating that our employees are committed to Terra, receive adequate training and compensation, and feel valued and appreciated for their work. While our score was satisfactory, gaining insight into other improvement areas was valuable. We will conduct this survey every two years going forward. It will be an essential tool to assess our progress in creating an engaging and enabling workplace culture that supports talent retention and improved performance.

We continued to roll out culture and engagement journeys across our Cane and Property and Leisure clusters, and our focus this year was on maintaining momentum.

In our Cane cluster, the executive team participated in facilitated workshops to reflect on progress and to identify opportunities to align the cluster's vision, mission and purpose with its goal of building a learning, caring and results-driven culture. We continue to see improved interaction between colleagues from Terragri and

Terra Milling. The impact of the culture and engagement initiatives undertaken in our Cane cluster over the years was further demonstrated by the significant increase in the cluster's employee engagement score, which improved from 33% in 2017 to 85% in 2022.

To further support performance, we implemented a new continuous performance management system in Terragri in 2021 and ran it for the first time in 2022. This PCR (Performance Coaching for Results) system supports meaningful conversations between managers and staff focused on measurable outcomes.

Novaterra received a score of 94% in the engagement survey, demonstrating strong levels of trust, engagement and confidence. As an outcome of the survey, Novaterra identified further opportunities to strengthen employee engagement. We also established teams within the cluster to develop action plans to enhance culture and implement related initiatives.

We launched a succession planning and talent identification project across all clusters in 2022. This project is focused on succession planning for critical positions, factoring in retirement and replacement.

We continued to identify opportunities to digitalise our HR processes, as this enables the use of data and analytics to improve employee experience and enhance our employee value proposition. In 2022 we developed a digital recruitment platform, which we are piloting at *L'Aventure du Sucre*. Anticipated benefits include reducing paper usage and achieving a more streamlined, targeted and efficient recruitment process.

Learning and development

Investing in the learning and development of our employees remains a key strategic focus. Working with the global professional development organisation Dale Carnegie, we conducted a full training needs analysis in all our businesses to establish our annual training plans. We also initiated a project to digitalise our training needs analysis. We will complete the digitalisation project in 2023.

Our Training Centre aims to provide excellent training services to Terra employees and external stakeholders, optimising the Human Resource Development Council refunds and delivering an improved return on investment for all training undertaken. In 2022, we ran 20 programmes at the Training Centre, reaching 189 employees and achieving approximately 342 training hours.

We gained momentum on the uptake of our e-Learning platform. The platform offers eModules that require approximately 10 to 15 minutes to complete and are easy to access at employees' workstations or on a mobile App. We aim to maximise the effectiveness of online learning by enabling employees to learn

at their own pace. In 2022, we increased employee participation on the platform from 440 users in 2021 to 480 and have seen a 40% increase in employee participation since launch. We also posted 11 new modules on the platform in 2022. This includes a new ethics eModule, which covers Terra's Code of Ethics and Conflict of Interest Policy. The ethics eModule is mandatory for all permanent employees and all recruits as part of our employee induction process. In 2022, 69% of our employees completed the ethics eModule.

Health and safety

In 2022, Terra hosted its first Health Month to raise employee awareness of the importance of monitoring their health and well-being. Employees received medical check-ups, including breast cancer screening for women, and attended nutrition and mental well-being workshops. We introduced our first online health and safety module, which instructed employees on appropriate ergonomic postures for daily operations. We also integrated health and safety awareness into the redesigned Group induction programme for recruits.

The Group aims to continuously improve its approach to provide a healthy and safe working environment for all its employees, sub-contractors, and visitors. In 2022 the Group saw a slight increase in the total number of accidents recorded, from 57 in 2021 to 60 in 2022. Of these accidents, 92% were classified as minor to moderate, and only 8% accounted for major accidents. We remain committed to instilling a strong health and safety culture across the Group and will roll out various health and safety training and awareness initiatives in the year ahead. This will be supported by our Group Health and Safety Officer and dedicated Health and Safety officers within our clusters who drive a proactive and KPI-orientated health and safety culture.

Cane: The Cane cluster recorded a total recordable incident rate (TRIR) of 22.7 in 2022 (2021: 18.4). Terra Milling delivered a strong health and safety performance, with a 17% and 22% decrease in injuries recorded and man-days lost, respectively. We achieved this improvement through active investment in health and safety, including training, equipment, and visible management interventions. A major highlight for Terra Milling was aligning its operations with ISO 45001, an international occupational health and safety standard issued to protect employees and visitors from work-related accidents and diseases. Terra Milling completed its ISO 45001 certification audit in December 2022. Unfortunately, we experienced an increase in health and safety incidents at Terragri. Recorded accidents tripled, and man-days lost increased by 32%. While most of these accidents were minor (related to lacerations or injuries arising from slips, trips and falls), we unfortunately recorded three major accidents. In 2023, we will focus on learning from the incidents and taking steps to prevent and mitigate associated risks. This includes categorising all risks associated with our operations to ensure we can prioritise and implement required control measures.

Brands: The Brands cluster recorded a TRIR of 34.0 in 2022 (2021: 30.8). This increase mostly relates to minor injuries from lacerations due to broken bottles and moderate injuries from lifting heavy items with improper lifting techniques. We are addressing these issues through refresher training and more frequent and visible on-site inspections. Fortunately, the cluster did not experience any serious incident in 2022. During the year, we also focused on reinforcing on-site fire safety and ensuring that all fire certificates were up to date. Another highlight was re-establishing our monthly Health and Safety Committee. The Committee observed that communication between managers and employees has improved, creating a positive foundation to establish a strong health and safety culture within the cluster.

Power: The Power cluster recorded a TRIR of 0 in 2022 (2021: 0). There were no lost time incidents for employees or external workers, and 53 near-misses were recorded, the details of which inform our continuous learning and improvement. We implemented employee training to reinforce our lockout/tagout (LOTO) procedure for isolating and controlling hazardous energy during maintenance. We reinforced our confined space procedure and created and implemented a confined space work permit. Terragen also purchased new confined space gas meters to ensure air is appropriately monitored in confined areas where maintenance is required. These procedures are critical to ensure employee safety and improve their response to hazardous situations. Terragen further updated its Fire Emergency Plan to ensure employees have the correct equipment and knowledge to respond effectively in emergencies. Other initiatives include completing the safety upgrade of all non-conforming ladders and completing a forklift licensing programme with all relevant employees. Terragen encountered no non-conformities during its triple recertification audit. This strong performance highlights the excellent safety culture at Terragen.

Property and Leisure: The Property and Leisure cluster recorded a TRIR of 16.3 in 2022 (2021: 12.4). This slight increase was mainly due to an increase in minor injuries. Following the opening of our Mahogany Shopping Promenade in June 2021, ensuring the health and safety of tenants and visitors was an utmost priority. The Centre Management Office (CMO) conducted regular site inspections to ensure all tenants complied with established health and safety requirements. Local authorities further audited our Mahogany operations in 2022 and provided minor recommendations to tenants to improve their health and safety procedures. A key focus area for the CMO was electrical safety, and the team tested all electrical protective devices installed within the mall. This enabled the CMO to identify faulty circuits and take corrective action. The CMO Supervisors were trained on properly using scissor lifts to ensure that all work conducted at heights is done safely. We also carried out a fire drill and set up an emergency response team that included tenants. Similarly, *L'Aventure du Sucre* strengthened its fire prevention and protection readiness.

Group-level Functions (Cont'd)

L'Aventure du Sucre further underwent an external audit, verifying its compliance with local legislation and international health and safety standards. Covid-19 management remained a high priority for *L'Aventure du Sucre*, which once again welcomed visitors from around the world.

We provide more information about our health and safety performance in the Terra Sustainability Report, available on our website.

Protecting labour rights

Terra ensures that all employees are adequately remunerated and provided with a respectful working environment free from inappropriate or unprofessional behaviour. This includes any form of harassment or discrimination. We also recognise every employee's right to freedom of association.

In the Cane cluster, 85% of workers are unionised across six different unions. Sector workers are also regulated by sugar industry remuneration orders that set the minimum wages and employment conditions for various categories of workers. Following the collective bargaining process initiated in 2021, the Cane cluster successfully signed the first collective agreement in Mauritius between companies and the sugar industry trade unions (grouped as a Joint Negotiating Panel) in 2022. The agreement represents manual workers. The wages increase of 3.75% considers the impact of the rising cost of living on workers' wages and is indexed to inflation. The agreement promotes equal work for equal pay by ensuring gender pay parity and has safeguards in place to prevent the abuse and exploitation of seasonal and contract workers. The agreement further includes accident cover for any accident arising in or out of the course of their working hours.

Outlook

Looking forward, we will continue to invest in employee learning and development and roll out external training through our Training Centre. We plan to launch a leadership programme in 2023, emphasising soft skills, coaching, and building a strong leadership bench. The outcomes of our succession planning project will be available in 2023, and we will use these to inform our retention and succession planning strategies and learning and development plans. Based on high employee engagement and attendance levels, we intend to roll out another Health Month in 2023.

Environmental performance: driving sustainability at the cluster level

Terra harnesses the productive qualities of landholdings in Mauritius to create stakeholder value. Agriculture and power generation lie at the core of our business model, with our key business activities depending on the availability and quality of natural resources. In addition to our human capital, our key resources include land, water, soil, sugar cane, and biomass. Conserving these resources and safeguarding the island's ecological functioning is central to our value proposition.

At each of our entities, dedicated health, safety, environment, and quality (HSEQ) employees at the cluster level manage sustainability performance. This decentralised approach empowers each cluster to drive performance by identifying and integrating cluster-specific objectives into the overall cluster strategy.

SEMSI LISTING

Since 2015, Terra has been listed on the Stock Exchange of Mauritius' Sustainability Index (SEMSI).

Circular economy: our environmental footprint

Our industrial ecosystem is a leading example of a circular economy in sugar production, with by-products from one part of our business serving as inputs for others. Climate change and water scarcity remain the key environmental risks for Terra, while wastewater management, water pollution and waste production remain other major concerns. The potential to expand renewable energy production from biomass is a climate change-related opportunity for the Group that speaks strongly to our business model (see our Sustainability Report for more details).

Cane: Drought conditions and a reduction in water allocations continued to impact sugar cane production for Terragri. A key focus remained on improving irrigation infrastructure to expand the distribution of treated effluent for irrigation across our fields. In 2022, 589,085 m³ of treated effluent from Terra Milling and Terragen was used by Terragri for irrigation (2021: 610,966 m³). Terra Milling focused on reducing water consumption from leaks and inefficiencies and improving waste segregation and recycling. Terragri remained focused on enhancing diesel management and reducing GHG emissions from diesel use. We introduced a smart engine in our harvesting operations, which reduced diesel consumption and maintained efficiency levels.

Brands: In 2022, Grays Distilling sent 48,124 tonnes of vinasse effluent to Topterra for treatment, which is processed into concentrated molasses stillage (CMS) and irrigation water used by Terragri in sugar cane fields. Water consumption declined at Grays Distilling due to lower levels of production and reduced molasses supply. Grays Inc.'s water consumption increased by 15% due to the increased use of recycled bottles requiring washing. Grays Inc. continued with efforts to optimise water-use efficiency and installed rainwater harvesting infrastructure, which supplied 30% of its water needs. As part of its commitment to transition to greener energy sources, Grays Inc. also installed photovoltaic solar panels that generated 50% of its energy requirements. We recorded no exceedances of effluent quality standards at either entity. Grays Inc. continued to implement a more structured approach to waste management. This includes increasing the number of carton and paper recycling bins on-site and allocating a dedicated bin for collecting and recycling LED bulbs and tubes. We also added new collection points for collecting and recycling used batteries and ink cartridges.

Power: Terragen continued to produce renewable energy from cane straw and *bagasse*. Renewable energy production decreased from 395,492 GJ in 2021 to 315,864 GJ in 2022, and carbon emissions decreased from 500,097 tCO₂e to 221,265 tCO₂e. The decrease was due to the suspension of our coal operations in April 2022; the suspension resulted in reduced fuel availability (only cane straw and *bagasse*), which reduced operational efficiency and impacted production levels. Terragen explored additional options to expand the production of renewable energy from biomass. We planted an additional 5.3 hectares of eucalyptus and continued the biomass trial to generate electricity from locally produced wood chips. We also submitted a proposal to the CEB to run a trial with 8,000 tons of imported wood chips. The share of renewable energy in Terragen's energy mix increased from 19% to 24%. We made a concerted effort to improve waste management at Terragen, emphasising waste separation and recycling; we generated 21% less waste and 31% more recycled waste. We again recorded exceedances in effluent quality due to the presence of oil and grease and are investigating how to resolve the issue and strengthen our environmental controls. We recorded no exceedances for air emissions. Our water consumption decreased to 897,741 m³ (2021: 1,604,584 m³) due to decreased energy production and the suspension of our coal operations. The bulk of our effluent was treated and sent to Terragri for irrigation, with 280,000 m³ of wastewater sent to the local water treatment facility.

Property and Leisure: Novaterra progressed with waste separation and recycling in our Beau Plan Smart City. We installed three deep waste collection containers to recycle plastic, paper and glass. We also installed bi-container bins for recyclable and

non-recyclable waste along main avenues. We increased our efforts to optimise water-use efficiency. We treated 20,000 m³ of our greywater, which we used to irrigate the sugar cane fields in Beau Plan. We installed AI and smart technology to optimise energy consumption and introduce energy-efficient lighting and security systems within Beau Plan Smart City. A major highlight was achieving EDGE (Excellence in Design for Greater Efficiencies) Certification for our new office building, The Strand. EDGE is an international green building certification system focused on making buildings more resource-efficient. *L'Aventure du Sucre* continues to manage its waste and monitor water and electricity use and is taking steps to make its operations more environmentally responsible. This includes prioritising local sourcing, making use of energy-efficient lighting and introducing a paperless approach in its office and marketing activities.

Outlook

During 2023 each of our clusters will focus on the following:

Cane: Enhance irrigation infrastructure to enable more efficient use of water; maintain focus on the management of diesel consumption; implement precision agriculture capabilities to increase the efficiency of chemical fertiliser; and continue to build capacity regarding the use of digital solutions within Terragri.

Brands: Increase employee awareness about water-use efficiency, energy conservation and waste management through campaigns and posters; increase the number of recycling points in warehouses and add dedicated points for scrap metal recycling; include waste management procedures in the induction packs of all recruits; and promote the re-use of rinse water for cleaning-in-place (CIP) processes.

Power: Pursue engagements with Government to develop a strategy in line with the national 60% renewable energy objective by 2030 and the phasing out of coal; increase cane straw and *bagasse* production and enhance renewable energy production; undertake a combustion trial with eucalyptus; develop additional renewable biomass capacity, with a focus on wood chips; and continue employee campaigns to ensure efficient waste segregation.

Property and Leisure: Initiate a Tiny Forest project, which introduces a dense, fast-growing native woodland into the urban space of Beau Plan; develop a roadmap for solid waste management; investigate the use of ground water through boreholes that will supply our Smart City; set up chargers for electric vehicles across our Beau Plan Smart City; construct a 1.6 MW photovoltaic solar farm; and initiate a carbon footprint assessment.

Group-level Functions (Cont'd)

Corporate social responsibility: supporting our communities

In addition to the significant social value the Group creates through its core business activities by providing direct and indirect employment and upskilling its workforce, Terra also provides focused support to neighbouring communities. Our Corporate CSR programme, coordinated by the Terra Foundation, aligns with Government's CSR guidelines and promotes regional and national community development. The foundation's primary focus remained on the geographical areas around Terra's Beau Plan and Belle Vue operations. Going forward, we aim to allocate more resources to ensure that local communities benefit fully from the development of our Beau Plan Smart City.

Strengthened partnerships and extended community support

In 2022, the facility offered by the Mauritius Revenue Authority (MRA) was maintained. Out of the 75% CSR contribution made to the MRA (passed onto the National Social Inclusion Foundation and redistributed to NGOs), companies of the Group retained 25% for our long-term project partners. This retention enabled us to provide 50% of our CSR funds to community projects. We partnered with 23 NGOs and sponsored 50 projects in 2022. We delivered 45 of these projects (representing 84% of our funding) in the northern region.

We remained focused on education and training, poverty alleviation, health care and sports and resumed our focus on heritage and culture as Covid-19 restrictions eased. We also maintained our long-term NGO partnerships. These partnerships include a 48-year sponsorship of *Collège Technique St Gabriel*, a 32-year sponsorship of *Lizie dan la main* and an 18-year sponsorship of the ZEP (priority education zone) school.

We continued to support the resilience and empowerment of communities in the northern region through our Group emergency fund, established in 2020. We launched a service industry training programme targeting unemployed women in the communities surrounding our Beau Plan Smart City. Our focus was to equip these women with the technical and practical skills to work as residential or commercial staff while boosting their self-esteem. We partnered with local NGO *Caritas Solitude*, who assisted with developing a culturally-appropriate training curriculum. The training received positive feedback from the 15 participating women, who received letters of recommendation and were connected to employment opportunities where possible.

The Terra Foundation also collaborated with *Association Mauricienne des Femmes Chefs d'Entreprises* (AMCFE) and enrolled one beneficiary in the Academy for Women Enterprise online course sponsored by the US Embassy. The beneficiary will receive mentorship and training that will enable her to grow her business. In line with our focus on heritage and culture, we resumed our support of a local youth theatre group. Terra Foundation provided funding for transport, props and decorations, and free access to a rehearsal and performance space. Local audiences received the show well, and we are reflecting on how to channel this momentum into renewed support for theatre going forward.

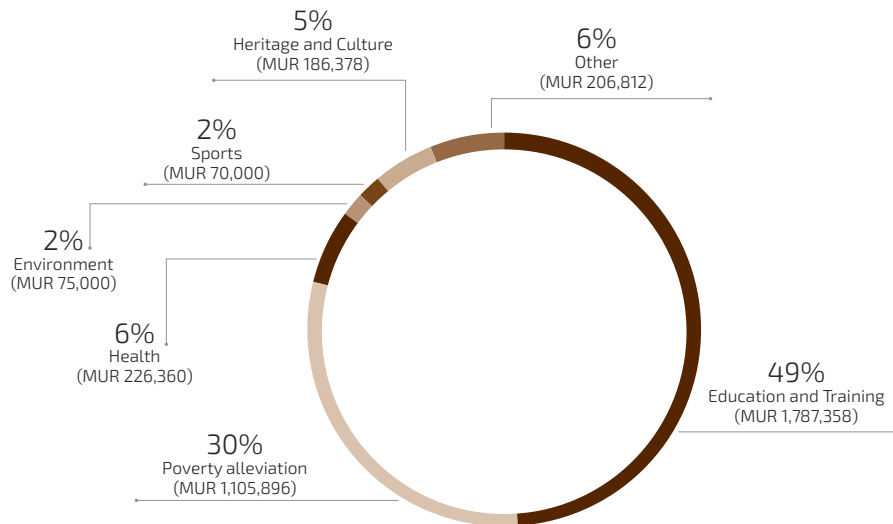
We resumed our employee volunteering initiative this year, which enables our employees to volunteer time for a community cause. Employees assisted with painting facilities and classrooms at a local school and participated in a tree planting day at our Beau Plan Smart City. We also sponsored Christmas activities for the most vulnerable children in the region.

We provide more information on our CSR performance in the Terra Sustainability Report.

Measuring impact

Our budget of MUR 3.6 million net of administrative expenses supported 1,669 beneficiaries (1,911 in 2021), the majority of who were children. We conduct annual evaluation reports to assess the work of our NGO partners.

Sponsorship by focus area in 2022



Outlook

Our focus will remain on maintaining the resilience of our NGO partners. We will continue to draw on our partner network and collaborate with national institutions to ensure we deliver meaningful, high-impact projects in 2023. We remain focused on local integration with our immediate neighbourhoods in Beau Plan Smart City, including offering training and support to job seekers. We remain committed to strengthening our employee volunteering initiative. Our aim of building a database to deliver a broader level of volunteering and in-kind skills-sharing projects remains a focus for the year ahead.