

Impact of Covid-19 and our response

The global lockdowns triggered by the Covid-19 pandemic, as from February 2020, have had a devastating impact on the world economy.

Mauritius went into lockdown in March 2020 until 01 June 2020, with severe restrictions in public spaces, including food stores and supermarkets. Borders remained closed, but the Government of Mauritius announced the phased easing of travel restrictions from 01 October 2020, with borders opening to Mauritian nationals, residents and to tourists travelling for long stays, subject to a 14-day quarantine before entering the territory. Mauritius had been considered 'Covid-19 safe' since 26 April 2020, where there have been no locally transmitted cases. This was achieved in part by the necessary and restrictive measures taken by the Government, including limiting international travel and enforcing public health and social distancing measures. The impact on the economy has been significant, with Mauritius experiencing a 14% decline in GDP in 2020, alongside a rise in unemployment and a depreciation of the MUR against main currencies. The tourism sector was particularly impacted, with international arrivals down 78%. The low level of savings in Mauritius, in a context of rising unemployment, has had a considerable negative impact on demand. Despite all restrictive measures taken by the Government, a local case was detected on 05 March 2021, followed by an increase in cases. This has led to a second national lockdown as of 10 March up to 30 April 2021. A vaccination programme, which started in the first quarter of 2021, is on-going and at least half of the population is now fully vaccinated, while the first phase of the reopening of borders has started on 15 July 2021.

IMPLICATIONS FOR VALUE

The move to a lockdown at the start of the Covid-19 crisis essentially happened overnight and our workforce had to adapt to the new situation rapidly. Production, activities and sales were initially halted across our operational and agricultural sites. Over time we applied for and received work access permits for those parts of the business considered essential services. This included: agricultural activities and sugar milling in our Cane cluster; distribution of pharmaceutical products, detergents, food and, at a later stage, alcohol-based gels, in our Brands cluster; electricity generation and distribution in our Power cluster; and asset management in our Property and Leisure cluster. While the performance of our Property and Leisure and Brands segments, as well as some of our Associate investment portfolio, has been challenged by internal borders closures and quarantine measures, other parts of our business remained resilient. We report on these impacts at the cluster level in our Operational Review section.

MOST AFFECTED

- Property Division
- *L'Aventure du Sucre* Museum
- Grays Inc. (25% of sales to hotels)
- Investment - UIL / PEX

LEAST AFFECTED

- Sugar in Mauritius
- Sugar in Côte d'Ivoire
- Energy
- Grays Distilling / New Goodwill
- Terrarock
- Investments: SWAN, Terravest

OUR STRATEGIC RESPONSE

Our primary focus has been on the health, safety and wellness of our staff, alongside the continuous and uninterrupted provision of products and services to our customers, while meeting the needs of communities impacted by the crisis.

- **We established a Covid-19 committee**, comprising of General Managers, communications, HR and IT teams, to prepare for the lockdown measures; daily operational management meetings ensured strategic decisions and response action plans were aligned.
- **We were agile** in accommodating our administrative and office-based staff to work from home through technology enablement and virtual private networks (VPN), which included the provision of laptops and PCs. New and innovative ways of working emerged, combined with regular communications with teams via these technologies, leading to a more resilient workforce.
- **We took all precautions** in alignment with Government protocols and regulations. We implemented stringent health and safety standards across all our operations, including the development of a stage 1-4 protocol for preparedness planning; multiple training sessions, posters and videos; the distribution of personal protective equipment (PPE), the introduction of social distancing requirements and organisation of the workforce into separate teams; and sanitisation of the working environment. This ensured no Covid-19 infections were recorded within our activities in 2020.
- **We secured isolation rooms** in each cluster for any potential cases and launched internal communication campaigns to clarify Terra's measures and protocol and to keep the morale of employees high.
- **We built on our existing digital platforms** by identifying gaps in processes and continuing to roll out wide-scale digitalisation. Cyber-security measures ensured adequate controls in place.
- **We identified efficiencies** in our local supplier engagement through better use of technology, and we established newsletters for our customers and employees. We are currently developing an SMS system for all employees with no email addresses.
- **We adapted strategies** to continue with sales and deliveries with a limited workforce during the lockdown period, including the rapid deployment of an e-commerce website in our Brands cluster.
- **We supported our partner NGOs** and communities through a Terra Covid Solidarity Fund and through the provision of essential food packs and PPE.