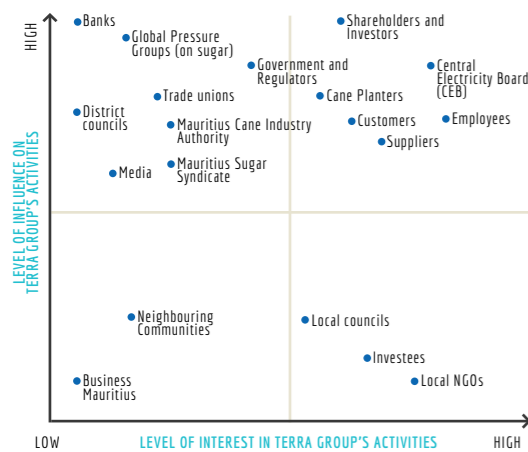


Our stakeholder relationships

Our ability to deliver value ultimately depends on the contribution and activities of a range of different stakeholders, and on the nature and quality of the relationship that we have with these stakeholders at both a Group and individual cluster level. There are many various stakeholders who have an interest in, and who can exert some influence over our decisions and activities. The nature and impact of these different stakeholder relationships vary significantly between each of our clusters.

In the diagram below, we briefly outline those stakeholder groups that we believe have the most substantive impact on the ability of Terra as a whole to create value over the short, medium and long-term. We have prioritised these stakeholders, informed by our assessment of their level of interest and dependency on our activities, and by the extent to which they can influence the development and execution of our strategy.

In the accompanying tables, we briefly review the 'value contribution' of each stakeholder group to Terra, summarise how we engage with that group, identify their priority interests relating to our activities, and provide our assessment of the quality of our current engagement activities with that stakeholder group. Additional context on these stakeholder relations is provided in each cluster review.



EMPLOYEES



The skills, experience, productivity and enthusiasm of our employees is the foundation of Terra's ability to deliver value.

SHAREHOLDERS AND INVESTORS



Shareholders and investors provide the financial capital needed to sustain and grow the business. An overview of the shareholding ownership structure is provided on page 101.

GOVERNMENT AND REGULATORS



Government and regulators provide us with necessary operating licences, and with the regulatory and policy framework that is critical to value creation. They inform what we can do, how we do it, and where we can operate.

INDUSTRY ORGANISATIONS



Engaging with these organisations is key to driving business best practice, identifying new opportunities, and creating a conducive long-term business environment.

SUPPLIERS AND SERVICE PROVIDERS



Maintaining positive supplier relationships, based on mutual respect, enables us to provide our products, and deliver our customer value proposition efficiently and effectively.

CUSTOMERS



Meeting the needs of our customers - through the specific 'customer value proposition' for each cluster - is the basis for all other values we create. We have a diversity of customers, from wholesale and retail operations to individual consumers across a range of income groups and countries.

CENTRAL ELECTRICITY BOARD (CEB)



The CEB is our principal client for energy generated at Terragen; we strive to maintain this relationship on a long-term basis by providing a reliable and cost-effective supply of energy, and supporting the Government in its commitment for greener energy.

CANE PLANTERS



We rely on a regular supply of cane from independent small-scale cane producers to maintain the productivity of our mill and produce our premium specialty sugars. Due to current price challenges, farmers are leaving the sector, and there is low interest in the younger generation.

LOCAL COMMUNITIES



These stakeholders provide us with our reputation and societal legitimacy, and are often very valuable partners in highlighting challenges to be addressed and finding solutions, including investments in projects.

VALUE CONTRIBUTION

HOW WE ENGAGE

KEY STAKEHOLDER INTERESTS

QUALITY OF CURRENT ENGAGEMENT

In addition to internal newsletters and website, we have periodic management / employee meetings, individual personal interactions and training. We run surveys every two years with our employees to assess the levels of employee engagement and remuneration. No surveys were undertaken in 2020 due to Covid-19 but are planned for 2021. In two clusters (Property and Leisure and Cane) we have continued to embed culture engagement journeys, instilling certain values into their operations to co-create a working culture. In our Cane cluster, we negotiate with trade unions upon expiry of the collective agreements in place, generally every three years.

We communicate through our website, annual integrated report and annual general meeting regarding our performance and strategy. Announcements and communiqués are regularly issued through the Stock Exchange. Certain members of the executive team also meet personally with key investors. The Chairman and four other members of the Board are also members of the Board of the main shareholder.

We seek to maintain positive relationships with Government through:

- Direct personal engagement on specific issues;
- Mauritius Cane Industry Authority (MCIA) representative (Control Board) permanently on site (in sugar factory);
- Participation in public forums;
- Submissions on draft regulations;
- Engagement through industry bodies; and
- Collaboration on national development plans.

We are active participants in numerous industry associations, including (but not limited to): the Mauritius Sugar Syndicate (MSS), the Mauritius Chamber of Agriculture and Business Mauritius. In 2019 our Managing Director became President of the MSS for two years and we engage with the MSS on a weekly basis.

We engage regularly with key suppliers and service providers across our clusters to ensure a mutually beneficial relationship, particularly in relation to the provision of critical products, raw materials and services.

The nature of our engagement varies across clusters and customer type. We strive to engage regularly and be responsive to customer interests across our value chain, seeking feedback through individual engagements, as well as broader customer surveys and research. In-house communication and other strategic teams ensure we remain connected to customers and are quick to respond.

We maintain a strong and transparent relationship with our client through various communication channels: telephone, meetings, satisfaction survey.

We communicate directly with planters through various channels, including regular meetings before and during harvest, one-to-one in fields, monthly liaison meeting with Farmers Service Centre. Our small planter advisors work with them to be more efficient and help with their harvesting and transport. We also engage regularly with authorities to identify opportunities to appropriately motivate the next generation of planters.

We communicate and engage directly with neighbouring communities through Terra Foundation and our individual business units to promote community development at both a regional and national level and ensure good communications regarding environmental issues.

- Competitive remuneration
- Opportunities for personal development and upskilling
- Clear career paths
- Safe and healthy working conditions
- Clear communication and engagement across the Group
- Employee morale and corporate culture

- Delivery of dividends
- Strategy to ensure continued growth, and to responsibly manage the risks and opportunities in our markets
- Responsible allocation of capital
- Sound corporate governance
- Climate change and greening investments

- Ensuring regulatory compliance
- Protecting consumer interests
- Contribution to the tax base
- Promoting opportunities for job creation and economic development
- Corporate Social Responsibility
- Climate change mitigation / green energy
- Flood mitigation
- Independent sources of electricity and water (property development)

- Provision of leadership
- Collaboration
- Contributing to the collective business voice
- Structural reform

- Timely payment and fair terms
- Realising joint opportunities for growth

- Quality product and service
- Appropriate price
- Continuity of supply
- Relevant product information
- Partner relationships (tenants)
- Better rates per square meter (tenants)
- Multiple internet providers (Smart City)

- The reliable and cost-effective supply of energy
- Open communication on plant performance
- Increase the share of renewable energy in the energy mix of the country

- Open and effective communication
- Assurance that the mill will crush the canes in a timely and efficient manner and deliver the sugar produced to the MSS
- Access to finance and labour
- Structural reform
- Support in regard to efficiency, harvesting and transport

- Transparency and accountability
- Corporate Social Responsibility and NGO partnerships
- Investment in community infrastructure
- Access to job and supplier opportunities
- Good environmental practices

★★ Embedded | Structured engagement processes are in place that inform operational decision-making and are properly embedded in management processes, with clear follow-up actions.

★★ Developing | Generally good engagement with some thought applied in developing an effective engagement process, but it is not structured; no clear performance objectives.

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★★ Strategic | High quality engagement mechanisms in place, embedded in governance processes with links to strategic objectives; in depth response mechanism implemented.

★★ Embedded | Structured engagement processes are in place that inform operational decision-making and are properly embedded in management processes, with clear follow-up actions.

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