



SUGAR INSURANCE FUND BOARD

Corporate Objectives Statement

1.0 Purpose of Corporate Objectives Statement

The Code of Corporate Governance for Mauritius recommends that Boards of every Statutory Body should consider developing a *corporate objectives statement*. This statement should include, among others, the vision, mission and values of the organisation; value drivers; a statement on the behaviour of stakeholders; a statement of accountability by the Board; and expectations of the financial as well as the non-financial performance for the year.

2.0 Background of SIFB

From its introduction by the Dutch, to its cultivation by the French and the British, sugarcane has turned the sugar industry in Mauritius into its first source of revenue for decades, if not centuries. The sugar industry in Mauritius has constantly been faced with challenges and it has always stood up to convert these challenges into opportunities to ensure sustainable productions of sugar and derived products.

Insuring the Mauritian sugar cane against the weather, one of long standing, became a reality when cyclone-damage in 1945 precipitated matters at governmental level, and at the local Chamber of Agriculture. The very next year saw the formal establishment, in October, of a Cyclone and Drought Insurance Fund through Ordinance No 53 of 1946 with compulsory insurance for all cane planters and millers, and an obligation on the latter to provide all relevant information to that Insurance Fund.

In 1974, the Act was repealed to be replaced by a new legislation, the Sugar Insurance Fund Act and a new entity named Sugar Insurance Fund Board emerged to carry over altogether the activities of the defunct Cyclone and Drought Insurance Fund.

Section (3) of the SIF Act: The objects of the Fund shall inter alia be to—

“(a) insure the sugar industry against loss due to cyclones, drought, excessive rainfall or fire; and

(aa) insure the refiners authorised by the Syndicate to optimise value added for the whole of the sugar industry through the production of refined sugar against loss due to cyclones, drought or excessive rainfall; and

(b) carry out such activities relating to agriculture or insurance as the Board may determine.”

A compulsory insurance scheme, with the main objective to insure sugar producers against losses arising out of cyclones, droughts and excessive rainfall.

Subsequently in 1974 a Fire Insurance Scheme was added.

The Sugar Insurance Fund is a self-funded entity and gets no government funding/grant.

The SIFB operates under the aegis of the Ministry of Agro Industry and Food Security since 29 November 2018. Prior to 29 November 2018, the SIFB was under the aegis of the Ministry of Finance, Economic Planning & Development.

3.0 Our Vision

To be a key player of the Sugar Cane Industry.

4.0 Our Mission

The mission of the Sugar Insurance Fund Board, the premier provider of sugar insurance, including disciplined underwriting, sound and prudent management of investments, high level of customer care while adhering strictly to the Sugar Insurance Fund Act.

5.0 Our Objectives

To have a solid asset base, allowing the Fund to fulfil its statutory obligation of protecting the community of planters, millers and metayers from negative impact on sugar produced following cyclone, drought and excessive rainfall as well as fire to sugarcane fields during intercrop.

6.0 Our Values

- Customer Care
- Responsiveness
- Innovative
- Integrity
- Teamwork

7.0 Our Key Strategic Focus

- Closer to planters
- Cost control / optimization
- Enhanced use of Information Technology (IT) and Artificial Intelligence (AI)
- Remote Sensing
- Review of Insurance Policy as and when required
- Enhance return on Investments
- Ensure Succession Planning
- Good Governance
- Adopting green practices

8.0 The Board of SIF

The Board of SIF derives its authority to act from the Sugar Insurance Fund Act and the relevant laws.

The Board is charged with leading and managing the Fund in an effective and responsible manner. The Directors, collectively and individually, are aware of their responsibilities to insureds, Government and other stakeholders for the manner in which the affairs of the Fund are managed.

The Board has delegated authority to the General Manager who shall be responsible for the execution of the policy of the Board and for the control and management of its day-to-day business.

Accounting Records /Financial Statements

The Board of SIF is responsible for the proper keeping of accounting records which disclose, with reasonable accuracy, at any time, the financial position of the Fund. In line with the Statutory Bodies (Accounts and Audit) Act, the Fund shall, not later than four months after the end of every Financial Year, prepare and submit an annual report, including the financial statements to the Auditor.

Internal Control

The Board has an overall responsibility to ensure that effective internal control systems and information systems are in place to safeguard the Fund's assets. The Board also reviews the effectiveness and adequacy of the applicable systems and controls from time to time.

The Fund has an established Internal Audit unit which assists the Board and Management in effectively discharging its responsibilities. Internal Audit is an independent function that reports directly to the Audit and Risk Management Committee. Business controls are reviewed on an on-going basis by the Internal Auditor.

Corporate Governance

The Board has an overall responsibility to ensure that the Fund has appropriate corporate governance structures in place and to establish such committees, policies and procedures for the Board to discharge its roles and responsibilities in an efficient manner.

9.0 Relations with Stakeholders

The Board of Directors is fully committed to achieving and sustaining the highest standards of corporate governance with the aim of maximizing long term value for all stakeholders. The Board is committed to attaining high standards of corporate governance and recognizes the importance of good governance to safeguard continual growth, success and to boost stakeholders' confidence. The Board has an overall responsibility to ensure that there is effective communication with all Stakeholders, including employees.

10.0 Expectations on Financial Performance

In terms of financial performance, the Fund has established specific expectations centered around:

Budget Management

Effective budget management is crucial for the SIFB. It involves developing a realistic and well-structured budget that aligns with the Fund's goals and priorities. Monitoring and controlling expenses, ensuring compliance with funding requirements, and maintaining transparency in financial processes are essential aspects of budget management. Budget estimates are also prepared and submitted to the Minister on a yearly basis in line with Section 4B of the Statutory Bodies (Accounts and Audit) Act.

Cost Management

The Fund is committed to effectively manage costs and optimise operational efficiency. This involves implementing cost-saving measures, streamlining processes, and adopting innovative technologies to reduce expenses without compromising the quality of services provided.

Financial Stability

SIFB aims to maintain a healthy financial position and ensure long-term financial stability. This includes managing cash flow, maintaining appropriate reserves, and adhering to sound financial management practices.

Return on Investment

The Fund strives to maximise returns on its investments and assets in order to contribute to the growth and increase Fund value by diversifying the portfolio, identifying and selecting investment with the potential for capital appreciation, monitoring the Fund's investment regularly and making informed decisions based on market conditions. In this process, the Fund ensures a right balance between risk and reward.

Stakeholder Trust and Transparency in reporting

There is an expectation for financial transparency, accountability, and reporting. Communicating financial information and demonstrating prudent financial management practices contribute to building and maintaining trust. In line with Section 6A of Statutory Bodies (Accounts and Audit) Act, Annual Report, consisting of financial statements and report on the Fund's performance, is prepared on a yearly basis and once audited, same is publicly available on our website.

11.0 Expectations on Non-Financial Performance

In addition to expectations for financial performance, the Fund is also dedicated to upholding a comprehensive set of non-financial performance expectations, focusing mainly on:

Governance Responsibility

The Fund is committed to maintain transparent business practices and provide accurate and timely information to its stakeholders.

Environmental Responsibility

The Fund undertakes to demonstrate a commitment to environmental sustainability by implementing eco-friendly practices, reducing carbon footprint and adopting renewable energy sources where feasible.

Social Responsibility

The Fund undertakes to contribute to the well-being of the planters' community.

Ethical Business Practices

The Fund is expected to uphold the highest standards of ethical conduct, integrity, and transparency. This includes promoting a culture of ethics and compliance, adhering to applicable laws and regulations, and maintaining robust internal controls to prevent corruption, fraud, and unethical practices.

Employee Well-being and Development

The Fund ensures employee well-being, professional development, and work-life balance. This involves providing training and development opportunities, promoting a healthy and inclusive work environment and recognising and rewarding employee contributions.

12.0 Review of the Corporate Objectives Statement

The Board may review this Statement at its sole discretion regularly to ensure it remains consistent with the Board's objectives and responsibilities.

29 June 2023