

SUSTAINABILITY REPORT 2014

People
Planet
Profit

BIHL
GROUP
40
YEARS

1975

2015

ANNIVERSARY

40 YEARS OF THE BIHL GROUP IMPROVING LIVES

- 3 | Welcome Note
- 4 | Introduction
- 6 | What is Sustainability and People, Planet, Profit?
- 12 | BIHL's Vision, Mission and Values
- 13 | BIHL's Strategy Pillars

02

DESPITE THE GROWING ACCEPTANCE OF CORPORATE SUSTAINABILITY AS AN ESSENTIAL AND INTEGRAL COMPONENT OF DOING BUSINESS IN THE 21ST CENTURY, MANY SCEPTICS CONTINUE TO QUESTION THE TIME, EFFORT AND COST INVOLVED IN ITS EFFECTIVE IMPLEMENTATION.



28

HOW BIHL TACKLES THE TOPIC OF PEOPLE BOTH INTERNAL AND EXTERNAL

WHAT PROACTIVE EFFORTS THE BIHL GROUP MAKES TO PROTECT OUR PLANET

- 60 | About BIHL Trust
- 62 | Investing in Our Environment
- 63 | Ad Hoc Projects
- 64 | Gamodubu Child Care Trust
- 66 | Corporate Social Responsibility
- 70 | Key CSI Projects Undertaken in 2014

58





A SUSTAINABLE PRACTICE

- 13 | BIHL's Strategy Pillars
- 14 | BIHL Group Board of Directors
- 18 | BIHL Trust Board
- 20 | BIHL Group Management Team
- 22 | Group Chair's Statement
- 24 | CEO's Statement

04

CONTINUITY

NOW, MORE THAN EVER BEFORE,
IT IS AN INHERENT PART OF THE
FABRIC OF BIHL GROUP AND THE
SUBSIDIARIES OF THE GROUP - BIFM,
BOTSWANA LIFE, AND LEGAL GUARD.

OUR PEOPLE

49 YEARS OF OUR HERITAGE
MEANS 40 YEARS OF
INCREDIBLE PEOPLE
WORKING TO MAKE BIHL
GROUP WHAT IT IS TODAY.



- 31 | Human Resources Report
- 34 | Our Organisational Culture
- 36 | What Sustainability Means to Our People
- 38 | Employee Diversity
- 40 | Why People Development is Important
- 42 | Our Strength in Resources
- 44 | What We are Doing to Develop Our People
- 46 | The BIHL Thomas Tlou Scholarship
- 48 | Significance of Our Educational Projects
- 50 | Project Assessment and Application Processes

PROFIT

THE PERFORMANCE
OF THE BIHL GROUP
HIGHLIGHTS AND
CONSOLIDATED
STATEMENT
OF FINANCIAL
POSITION

84

ANNUAL FINANCIAL STATEMENTS

**PROFIT IS ABOUT THE BUSINESS
OF THE BUSINESS, ITS FINANCIAL
AND OPERATIONAL SUSTAINABILITY.**

- 86 | Group Consolidated Income Statement
- 88 | Group Consolidated Statement of Comprehensive Income
- 89 | Group Consolidated Statement of Financial Position
- 90 | Group Consolidated Statement of Changes in Equity
- 91 | Group Consolidated Statement of Cash Flows
- 92 | Commentary on Abridged Audited Group Financial Results
- 94 | Overview of Operations

DOES CORPORATE SUSTAINABILITY REALLY MATTER?

DESPITE THE GROWING ACCEPTANCE OF CORPORATE SUSTAINABILITY AS AN ESSENTIAL AND INTEGRAL COMPONENT OF DOING BUSINESS IN THE 21ST CENTURY, MANY SCEPTICS CONTINUE TO QUESTION THE TIME, EFFORT AND COST INVOLVED IN ITS EFFECTIVE IMPLEMENTATION.

Research conducted by Robert G. Eccles, Professor of Management Practice at Harvard Business School; Ioannis Loannou, Professor of Strategy and Entrepreneurship at London Business School; and George Serafeim, Professor of Business Administration at Harvard Business School which was published in The Guardian in 2012, revealed that corporate sustainability practices are key to business success.

Their rigorous empirical study of 180 US-based companies revealed that those with a culture of high-sustainability and adopted environmental, social and governance policies in the 1990s outperformed those that did not in terms of both stock market and accounting measures.

This research offers “convincing evidence that sustainability pays off. Critics of sustainability argue that it destroys shareholder value. We found exactly the opposite. Companies that manage their environmental and social performance have superior financial performance and actually create more value for their shareholders. They do this by attracting and keeping better and more committed employees and have more loyal customers. Over the long term, they will preserve their licence to operate, something which is deeded to them by society. As societal expectations for responsible environmental and social practices by companies continue to increase, the performance advantage of high-sustainability companies will increase too, because they will be contributing to a sustainable society.

Failure to have a culture of sustainability is quickly becoming a source of competitive disadvantage. The argument about sustainability is over. It is the key to creating value for shareholders and all other stakeholders over the long term, thus ensuring the sustainability of the company itself.”¹



1. <http://www.theguardian.com/sustainable-business/sustainability-key-corporate-success>

WELCOME

It is with great pride and joy that we share with you, friends and family of the BIHL Group, the inaugural BIHL Group Sustainability Report.

OUR COMMITMENT

THIS IS THE CULMINATION OF MONTHS OF WORK OF DEVELOPMENT; MORE THAN THAT, HOWEVER, IT IS THE REALISATION OF A NUMBER OF YEARS OF STRIVING TO FIND A WAY TO SHARE HOW WE AS A BUSINESS FEEL ABOUT THE IMPORTANCE OF SUSTAINABILITY AND HOW WE AS AN ORGANISATION TREAT IT.

At the same time, this is not just another report on the efforts and activities of the business. It is more than that. This is a dedication. A pledge. A promise. It is a commitment to transparently, wholeheartedly, introspect on the impact we, as an organisation and as corporate citizens, affect and effect within our industry, our community, and our economy.

We have reflected on the state of our sustainable practice in the year 2014, and you will find the results of this self-assessment in the pages that follow. It is exploration of how we as a Group are working to better inculcate a culture of valued and practiced sustainability, identifying how and where we ought to up the proverbial ante and do more. This is, for us, just the beginning. The real work has yet to come, and it is work that we will invest in with every year, reporting diligently on the progress, challenges and opportunities faced. 40 years from now, as we mark another milestone for the Group, we hope to show demonstrably positive change as we meander through the story of BIHL. We are a business of many woven narratives. When it comes to a dedication towards sustainability, however, the best chapters of the story are only now set to begin.



BATSHO DAMBE-GROTH
Chairman

Introduction to the Report

Sustainability, often considered a corporate buzzword to be ticked off at the end of every financial year, has a much more real and impactful meaning outside of theories, grand ideas and proposals.

A SUSTAINABLE PRACTICE

NOW, MORE THAN EVER BEFORE, IT IS AN INHERENT PART OF THE FABRIC OF BIHL GROUP AND THE SUBSIDIARIES OF THE GROUP - BIFM, BOTSWANA LIFE, AND LEGAL GUARD.

Sustainable practice and a desire and determination towards sustainable impact across the board have become a greater part of the culture of the Group and how the Group grows as a business and as a corporate and community citizen.

Part of what allows BIHL Group to do all that it does and all it will continue to do has always been its Strength in Numbers.



THIS WORKS ON TWO DISTINCT LEVELS:

- Strength in Numbers in terms of the Group's ability to leverage off its collective pool of knowledge, expertise, resources, strength in customer support, and, indeed, of its various subsidiaries
- Strength in the understanding that without units of measure – data and numbers - it becomes difficult to discern the true value of impact within the business, the community and the nation at large. Every action or activity has a measurable impact, be it in terms of hours of staff developmental training, the monetary value invested in a project's success, or the joy of a community that has been uplifted in some way.

The marriage between Strength in Numbers, that hallmark of BIHL and its 40 years of making a difference through investing in sustainable practice, and measurement of said impact is our focus. What have we done and what has the result been?

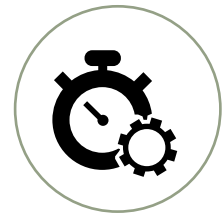
It is with this background, this fundamental concept of assessing and evaluating our efforts and the opportunities for further improvement, continuous improvement, that the 2014 Sustainability Report was born.

We aim to interrogate how we drive sustainability, as well as why. If the legacy of any entity is the footprint they leave behind in our community and those around us,

then how does the Strength of the Group allow us to realise our vision of making a real difference?

Thus, from the content to the design, throughout the Report you will see stylistic features and intonations around growth, development, progress and sustainable impact.

These are the very things we strive to show BIHL's Strength in Numbers empowers us to drive, and which have allowed for a solid foundation of driving sustainability during the year 2014.



3 LINES OF DEFENCE GOVERNANCE MODEL

FIRST LINE OF DEFENCE (MANAGEMENT)

The first line of defence is management, as they are accountable for all risks in the organisation

.....
Their accountability in managing risk is either implicit or explicit



SECOND LINE OF DEFENCE (INTERNAL ASSURANCE PROVIDERS)

The risk function, forensics, compliance, actuarial and investment management function act as the second line of defence

.....
The second lines of defence are there to assist management in mitigating by giving them advice and providing assurance on key risks



THIRD LINE OF DEFENCE (EXTERNAL ASSURANCE PROVIDERS)

The third line of defence is internal audit, external audit, statutory actuary and any other structures that may be used from time to time

.....
These are the most independent assurance providers

.....
Their assurance is more objective and as such they provide unbiased advice on the management of key risks

WHAT IS SUSTAINABILITY?

CORPORATE SUSTAINABILITY IS MOST OFTEN DEFINED AS **"THE MANAGEMENT AND COORDINATION OF ENVIRONMENTAL, SOCIAL AND FINANCIAL DEMANDS AND CONCERNS TO ENSURE RESPONSIBLE, ETHICAL AND ONGOING SUCCESS"** - INTERNATIONAL FOCUS ON CORPORATE SUSTAINABILITY HAS GROWN FROM ALMOST ZERO IN THE DECADE LEADING UP TO THE TURN OF THE MILLENNIUM, TO A DOMINANT CONCERN TODAY.

MORE
THAN



Sometimes referred to as “the triple bottom line,” corporate sustainability is now regarded as an essential ingredient for a company’s long-term success.

According to the Dow Jones Sustainability Index, Corporate Sustainability is a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments.

There has been significant evolution in the way businesses approach and measure corporate sustainability since the phrase “triple bottom line” (TBL) was first used in 1994 by John Elkington, founder of a British consultancy called Sustainability.

Elkington maintained that companies should be focused on three different, very separate bottom lines: the traditional measure of corporate success – the “bottom line” of profit (and loss); a “people account” – a measure of how socially responsible an organisation is; and a “planet account” – how environmentally responsible it has been.

Thus the three Ps of the “triple bottom line” - profit, people and planet – have come to represent the three pillars of corporate sustainability.

The factors that contribute to corporate sustainability are not static. A casual perusal of news headlines around the world clearly indicate that sustainability-related megatrends are changing our world and are having a measurable impact on

companies’ top and bottom lines. Long-term challenges such as resource scarcity, demographic shifts and climate change are redefining societies, public policies and regulatory frameworks, and hence business environments and investment outcomes. No country or business is immune. The challenge is to recognise that these changes, while they present considerable risk, also offer great opportunities. The trick, however, is to identify changes and develop appropriate strategies to address them; hence the growing corporate focus on effective measurement of their corporate sustainability policies and practices which should be supported by the three recognised pillars:

People, Planet and Profit.

billion Pula paid out in benefits and claims over the year.

8 PEOPLE

THIS SUSTAINABILITY
PILLAR HAS BOTH AN
INTERNAL AND EXTERNAL
COMPONENT.

INTERNAL FOCUS

The adage “our people are our greatest strength” has been bandied about by businesses for decades. However, there is always a nugget of truth in any cliché – and this one contains more substance than most. There is no question that the sustainability of any business depends on the ability of the organisation to attract and retain appropriately skilled employees.

In a country – and indeed a region – in which skills are notoriously scarce, the ability of any organisation to meet the requirements of this sustainability pillar means doing more than merely paying market-related remuneration and complying with basic conditions of employment legislation. It also demands valuing employees for their talents; fostering their professional development; preserving their health and safety; ensuring that they are informed; and promoting the exchange of knowledge, diversity, and the quality of life in the workplace.



LOCALISED

300 EMPLOYEES
UNDERGONE
HEALTH
SCREENING

360 FULL TIME
EMPLOYEES

880 BROKERS
AND
AGENCIES



It means putting one's money where one's mouth is and investing in the training and development of one's people not only to enable them to fulfil their current tasks adequately, but also to prepare them for the future in accordance with an appropriate and always current succession plan. In addition, it also demands the development and execution of meaningful retention strategies.

EXTERNAL FOCUS

Every business operates within a broader community. This community could be no larger than the people living in its immediate vicinity, to those in the same town, region, country and even continent. It is from these

communities that the business draws its employees, as well as its customers – regardless of whether these customers are individual consumers; other businesses and organisations; or government structures. The more prosperous the community, the greater the potential pool of customers and employees to draw on.

Traditionally, businesses deal with this aspect of the “People” sustainability pillar through implementation of a cohesive Corporate Social Responsibility (CSR) policy. In a country like Botswana in which socio-economic challenges are a daily reality for large sections of the population, CSR is a critical area of concern for BIHL.

In **2014** a majority of our executive vacancies were filled by talent who were groomed as successors for the roles, **indicating our commitment to giving our talent the opportunity to grow and stretch themselves for more challenging roles.** This was the highlight in our succession plan.

“
The sustainability
of any business
depends on the ability
of the organisation
to attract and retain
appropriately skilled
employees.”

PLANET

FOR MANY, THE TERM SUSTAINABILITY IS IMMEDIATELY ASSOCIATED ALMOST EXCLUSIVELY WITH ENVIRONMENTAL ISSUES.

While this pillar of sustainability might not be as critical for a financial services company as it would be, for example, to a mining or chemical manufacturing company, the activities of every individual – and every business – have an impact on the environment.

Factors as diverse as electricity and water consumption and carbon emissions to littering or impacting on the immediate

physical environment through construction of a home, an office or a shopping mall all have an impact on the environment to a greater or lesser degree.

The ultimate goal of the Planet pillar in corporate sustainability is to reduce the impact the organisation has on all “green” issues.

WATER



BIHL embarked on a programme to review usage on resources like **power and water** throughout the subsidiaries within the business.

ELECTRICITY



BIHL reduced its office **electricity usage by almost 65%** while BLIL reduced power by 42%. The Group saved P695,118 in power (2014).

PRINTING



There was an **almost 3% reduced** in the use of printing paper experienced throughout the business as email communication was encouraged throughout.

The move to a more compact office space, **reflected in the reduced amount of office resources used.**



	ACTUAL Dec-14 P	PRIOR Dec-13 P	%
BIHL			
Office Electricity	102,561.06	290,829.45	(64.73)
Office Water	7,442.00	5,544.00	34.24
Printing	722,586.92	743,808.37	(2.85)
Cellphone	347,477.58	92,250.21	276.67
Telephones & Fax	167,868.71	2,013.50	8,237.16
Totals	1,347,936.27	1,134,445.53	18.82
BOTSWANA LIFE			
Office Electricity	647,413.11	1,124,757.59	(42.44)
Office Water	92,110.35	71,226.01	29.32
Printing	436,645.42	419,627.94	4.06
Telephones & Fax	2,630,592.43	1,480,481.15	77.68
Totals	3,806,761.31	3,096,092.69	22.95
BIFM			
Office Electricity	166,418.85	136,912.00	21.55
Office Water	7,026.90	6,867.74	2.32
Telephones & Fax	644,384.08	387,255.02	66.40
Totals	817,829.83	531,034.76	54.01
LEGAL GUARD			
Office Electricity	102,604.40		
Office Water	9,606.76		
Printing	265,013.53		
Telephones & Fax	135,265.01		
Totals	512,487.70		

PROFIT

ULTIMATELY, THE FIRST TWO SUSTAINABILITY PILLARS – PLANET AND PEOPLE– WOULD COLLAPSE WITHOUT THE THIRD, PROFIT.

Profit is about the business of the business, without which there can be no financial or operational sustainability. There is, however, more to profit than producing goods and services at the lowest possible cost – and then selling them at the highest rate the market will tolerate. Profit is also about how the business is conducted; whether the business acts with integrity and follows sound corporate governance practices. This includes effective management of risk.

NET PREMIUM INCOME

increased by **6%** to



P1.99BN

FEE INCOME

increased by **13%** to



P111.0MIL

VALUE OF NEW BUSINESS

increased by **35%** to



P148.2MIL

ASSETS UNDER MANAGEMENT

increased by **7%** to



P28.9BN

OPERATING PROFIT

increased by **4%** to



P287.2MIL

CORE EARNINGS

increased by **3%** to



P319.6MIL

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

increased by **1%** to



P499.5MIL

EMBEDDED VALUE

increased by **17%** to



P3.8BN

RETURN ON GROUP EMBEDDED

increased by



24% (2013:24%)

P216.4MIL

paid as dividends during the year
(2013: P98.4million)

P126.5MIL

(gross of tax) Final normal dividend
proposed

OUR VISION. OUR MISSION. OUR VALUES.

SUSTAINABILITY IS AT THE
HEART OF THE BIHL DNA.

OUR ROOTS

We are a leading financial services group, originally established as a life insurance company in 1975. We listed on the BSE in 1991. Our Head Office is in Gaborone and we have branches throughout Botswana.

Our Vision is to be a significant regional financial services provider through optimisation of the Group's collective strength.

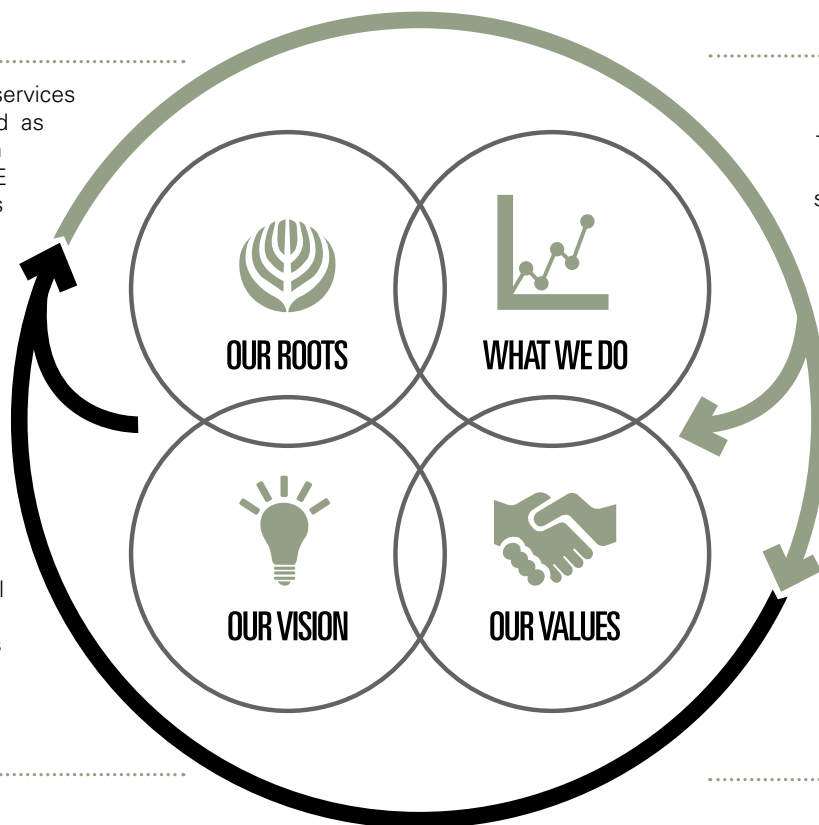
OUR VISION

WHAT WE DO

We provide financial solutions to individual and institutional clients. These solutions include individual, group, and short term insurance, savings and linked products, asset management, and employee benefits.

Our core Values are:
Teamwork;
Integrity;
Service Excellence;
and Innovation.

OUR VALUES



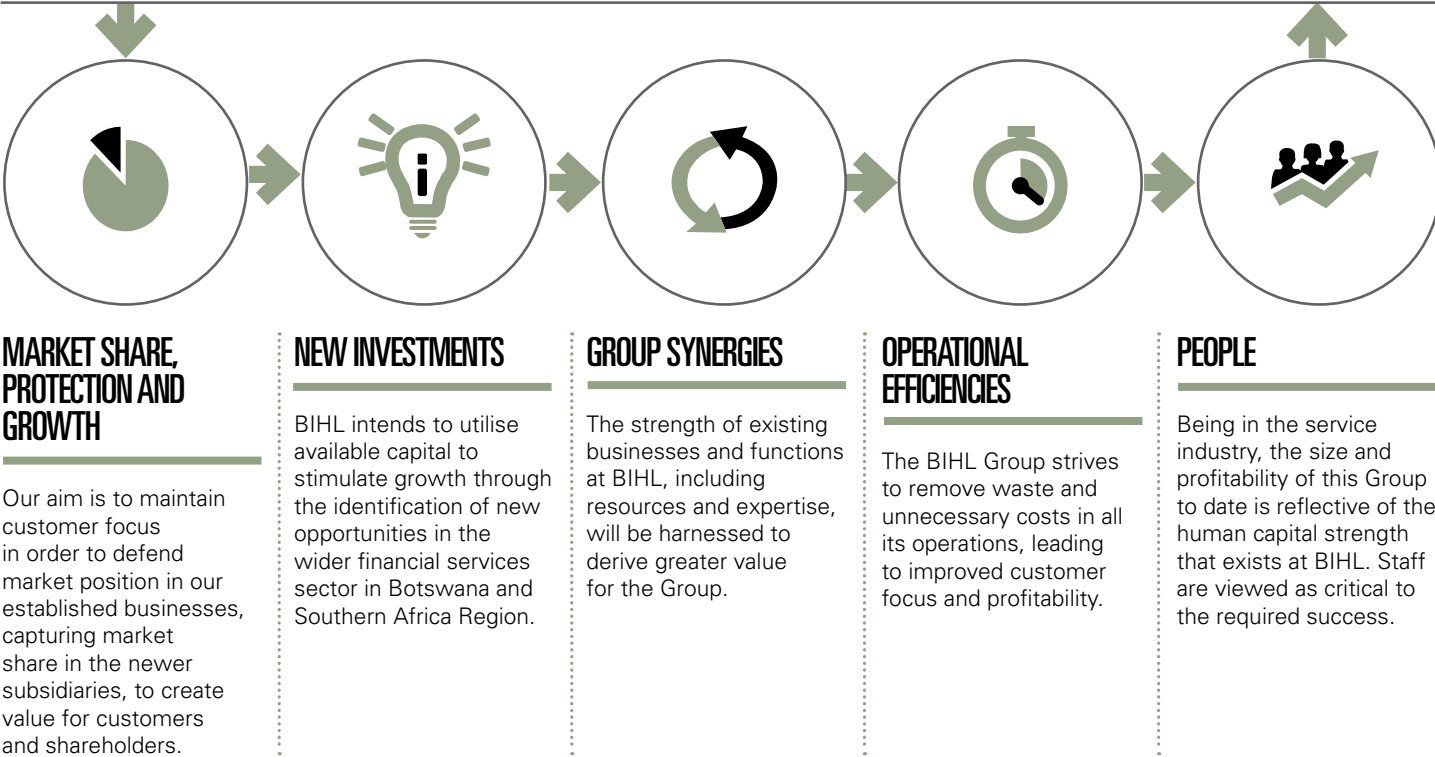
FOCUSING ON THE FIVE PILLARS

“BIHL’S STRATEGIC GOAL IS TO BECOME A BROAD-BASED FINANCIAL SERVICES COMPANY OFFERING A DIVERSE RANGE OF PRODUCTS AND SERVICES WITHIN BOTSWANA AND ACROSS THE SOUTHERN AFRICAN REGION,”

Gaffar Hassam, GCEO, BIHL.

By focusing on our Five Pillar Strategy, we have achieved market-leading growth and have sustained the BIHL Group as a profitable company, with a healthy capital position, that is well placed to withstanding market volatility and sustaining its performance over the long term.

The keystone of our Strategy is to leverage the collective muscle of our industry leading brands. Thus our brand identity speaks to this with our tag line proclaiming: **“Strength in Numbers.”**



“OUR FIVE PILLARS ALLOW US TO PLAY OUR PART IN OUR COMMUNITY AS WE REMAIN PROFITABLE. 1% OF OUR PROFITS GO TO CSR AND CSI ACTIVITIES.”

BIHL GROUP BOARD OF DIRECTORS



BATSHO DAMBE-GROTH (49) +++
BOARD CHAIRMAN



Batsho Dambe-Groth was appointed to the BIHL Board as an Independent Non-Executive Director and Chairman of the HR Committee on 25 March 2008. Following an acting period from 01 January 2009, she was appointed Chairman of the Board in March 2010. She is the Managing Director of Resource Logic which consults to a wide range of organisations on Human Resources and business solutions.

She began her career with DeBeers Botswana, and has progressed in the human resources field working in the mining, parastatal, insurance and financial services sectors. Batsho joined BIHL in 1994 and by the time of her resignation in 2003 had worked her way up to the position of Assistant General Manager, Support Services.

She is also a Director of Botswana Craft Marketing, Etsha Weavers Group, Boitekanelo, Gems of Kalahari, and is a Council Member of Maru A Pula School. Ms. Dambe-Groth has a BSc (Hons) in Occupational Psychology from the University of Wales Institute of Science and Technology and is a Fellow of the USA Fulbright Humphrey Programme.



GAFFAR HASSAM (39) +
CEO - BIHL GROUP

Gaffar Hassam was appointed as the Chief Executive Officer of BIHL and became a member of the BIHL Board on 01 December 2011. He joined the Group in 2003 as Botswana Life Insurance Limited Finance Manager and BIHL Company Secretary. Prior to his current appointment, he held the positions of Head of Finance and Actuarial Services, Chief Operating Officer and Group Finance and Operations Officer at Botswana Life Insurance Limited. He was appointed as Acting CEO of BIHL in April 2011.

Mr. Hassam, who is also a Director of Letshego Holdings Limited and Botho University, began his career with PricewaterhouseCoopers in Malawi and was transferred to the firm's Botswana office in 2000. He has an MBA (Oxford Brookes); is a Fellow of Association of Chartered Certified Accountants (FCCA) and a Member of Botswana Institute of Chartered Accountants (BICA).



JOHN HINCHLIFFE (58) +++



John Hinchliffe heads John Hinchliffe Consultants, an accounting and consulting practice in Gaborone. He was appointed to the BIHL Board on 01 June 2010.

He is also a Director of various other companies, including Development Securities (Pty) Limited; DCDM Consulting (Pty) Limited; Nsenya (Pty) Limited; Portion 84 Mokolodi Sanctuary (Pty) Limited; Mokolodi Utilities (Pty) Limited; Kalahari Conservation Society; and Camphill Community Trust.

Mr. Hinchliffe began his career as an accountant at Coopers and Lybrand in London, before being seconded to the firm's Botswana office in 1982. Thereafter he worked for two other Botswana companies before establishing his own consultancy in Gaborone. He then joined DCDM Botswana as Managing Director before re-establishing his consulting firm in 2005.

He is the Chairman of the Board of Botswana Life Insurance Limited (BLIL) and BIHL Insurance Company Limited. He has a BA (Econ) Honours degree from Manchester University, FCA (England & Wales) and he is a Fellow of the Botswana Institute of Chartered Accountants (BICA) as well as being a fellow of the Institute of Chartered Accountants in England and Wales.





MAHUBE CHILISANA MPUGWA (47) +++



Mahube Mpugwa is Chairman and General Manager of Puma Energy Botswana (formerly BP Botswana). He is also a Director of Master Timber (Pty) Ltd. Mr. Mpugwa began his career in Public Relations at the Botswana Development Corporation and joined BP Botswana in 1998. Thereafter he held various positions within BP Botswana and BP South Africa before being appointed to his current position in 2008. He was appointed to the BIHL Board on 01 June 2010.

In addition to overseeing the Botswana Operations, Mahube was recently appointed General Manager for Puma Energy businesses in Lesotho and Swaziland.

He has a BA (Hons) degree from the University of Windsor, Canada; a certificate in Business Leadership from the University of South Africa; and he graduated with an MBA from Stratchclyde University's Graduate School of Business under the UK Government's Chevening Scholarship.



ROBERT DOMMISSE (46) ++



Robert Dommisie is the Executive Director for Mergers and Acquisitions at Sanlam Emerging Markets (Pty) Ltd. He was appointed to the BIHL Board on 20 November 2012. Mr Dommisie is a Chartered Accountant who joined Sanlam in 1994 after completing his articles at Ernst & Young. He has worked across the Sanlam Group in various roles and served on the Boards of a number of Sanlam subsidiaries. He currently also serves as a Non-Executive Director of Pacific and Orient Insurance in Malaysia.

Mr. Dommisie was appointed the Chairman of the BIHL Audit and Risk Committee on 11 February 2013. His qualifications include an EDP (Manchester Business School), MBA (cum laude) from Stellenbosch University, a Diploma in Investment Management (RAU) and he is qualified as a Certified Financial Planner (CFP).



HEINIE WERTH (51) ++



Heinie Werth is Chief Executive Officer of Sanlam Emerging Markets (Pty) Ltd. He was appointed to the BIHL Board on 15 May 2006. A Chartered Accountant, Mr. Werth joined Sanlam as an Investigative Accountant in 1990 and held various positions throughout the Group before being appointed to his current position in 2005.

He serves as a Director on various Boards in South Africa, India, Namibia and Botswana.

He has a B. Accountancy and Honours degree from Stellenbosch University, MBA (cum laude) from Stellenbosch University and an EDP from Manchester Business School.

BIHL GROUP BOARD OF DIRECTORS



CHANDRA CHAUHAN (52) +++



Chandra Chauhan is a Chartered Accountant who trained and qualified with KPMG in the United Kingdom. A Zambian by birth, he became a naturalised citizen of Botswana and has over the years become a very successful entrepreneur and respected businessman. He was appointed to the BIHL Board on 20 April 2009.

He is currently the Group Managing Director of Sefalana Holding Company Limited, a listed company on the Botswana Stock Exchange, having been appointed to its Board in 2003. He was responsible for turning around and restructuring Sefalana and has seen its market capitalisation increase from P64 million in 2004 to its current capitalisation of just over P2 billion. He is the Chairman of the Board of Botswana Insurance Fund Management (Bifm). Mr. Chauhan has a B. Acc (Hons) from the University of Zimbabwe, ACA (England & Wales) and ACA (Botswana).



ANDRE ROUX (53) ++



Andre Roux was appointed as Chief Investment Officer of Sanlam Emerging Markets in 2012 and is also the Chief Investment Officer of SIM Namibia. Previously, Mr Roux headed up the fixed interest team in South Africa for 9 years during which he was also a member of Sanlam Investment Management's asset allocation, credit and asset and liability committees. He was appointed to the BIHL Board on 04 July 2013.

Mr. Roux is the Chairman of the BIHL Investment Committee. Mr. Roux holds a BCom (Hons) (Economics) from University of Stellenbosch and an EDP from Manchester Business School.



MPHO SEBONI (53) +++



Mpho Seboni is Managing Director at Spencer Stuart (South Africa), part of the global Spencer Stuart consultancy which advises clients on top leadership challenges. He has extensive experience as a Senior Management Consultant in the areas of business strategy, business process re-engineering, organisation restructuring, executive search and corporate governance. He was appointed to the BIHL Board on 14 September 2011. A Botswana citizen, Mr. Seboni began his career at Debswana and also worked for the Water Utilities Corporation in Gaborone as Corporation Secretary and Administration Manager before moving to South Africa in 1991. Mr. Seboni assumed the role of Chairman of the Human Resources Committee in August 2013.

Mr. Seboni has a BA (Economics & Psychology) from McGill University, Canada; and an M.Sc Management Studies from Oxford University.

GERRIT VAN HEERDE (NOT IN PICTURE) (47) (ALTERNATE TO ROBERT DOMMISSE)

Gerrit van Heerde is Chief Financial Officer of Sanlam Emerging Markets (Pty) Ltd. He was appointed to the BIHL Board on 03 September 2014. Mr van Heerde is a Fellow of the Institute and Faculty of Actuaries in the UK and of the Actuarial Society of South Africa. He joined Sanlam in 1993 and held various positions throughout the Group before being appointed to his current position in 2012.

He serves as a Director on various Boards in South Africa, India, Namibia and Botswana.

He has a B.Com degree from the University of the North West, an Honours degree from Stellenbosch University and an EDP from Manchester Business School.

TERTIUS STEARS (NOT IN PICTURE) (43) (ALTERNATE TO HEINIE WERTH)

Tertius Stears is the Group CEO of Sanlam Namibia Holdings and is responsible for the strategic and overall management of the Group in Namibia. The Group consists of Sanlam Namibia Holdings, Sanlam Namibia Ltd, Life Office of Namibia Ltd, Capricorn & Sanlam Unit Trust Management Companies. In addition to the Namibian business, Tertius also manages the Sanlam Groups' investments in Malawi, Zambia and Mozambique and serves on these Boards. He has been with the Group for more than 20 years and previously served in various positions including Financial Manager and Chief Operating Officer.

Tertius is an associate member of The Chartered Institute of Management Accountants (CIMA) and he holds B. Accounting and Hons B. Com degrees from the University of Stellenbosch. He also attended a Senior Executive Programme (SEP) at the WITS and Harvard business schools.

Tertius is currently the Chairman of LAAN and previously chaired the technical sub-committee dealing specifically with all legislative developments.

MEMBERS OF THE BOTSWANA LIFE INSURANCE LIMITED BOARD (BLIL)



John Hinchliffe (Chairman)
Catherine Lesetedi-Letegele (CEO)
Heinie Werth
Patient Samukelo Thuto

MEMBERS OF THE BOTSWANA INSURANCE FUND MANAGEMENT LIMITED BOARD (BIFM)



Chandra Chauhan (Chairman)
Tiny Kgatlwane (CEO)
Mahube Mpugwa
Andre Roux
Robert Dommisie
Premchand Shah

MEMBERS OF THE BIHL INSURANCE COMPANY LIMITED BOARD (BIHLIC)



John Hinchliffe (acting Chairman)
Batsho Dambe-Groth
Lourens Joubert
(appointed 30 July 2014)

INDEPENDENT REVIEW COMMITTEE



John Hinchliffe (Chairman)
Chandra Chauhan

MEMBERS OF THE BIFM UNIT TRUSTS (PROPRIETARY) LIMITED



Patient Samukelo Thuto (Chairman)
Mike Main
Maipelo Motshwane
Gaffar Hassam
Benjamin Tobedza
(resigned on the 7th of March 2014)

BIHL AUDIT AND RISK COMMITTEE



Robert Dommisie (Chairman)
Chandra Chauhan
John Hinchliffe

BIHL INVESTMENT COMMITTEE



Andre Roux (Chairman)
Mahube Mpugwa

HUMAN RESOURCES COMMITTEE



Mpho Seboni (Chairman)
Robert Dommisie
Batsho Dambe-Groth
Heinie Werth

NOMINATIONS COMMITTEE



Batsho Dambe-Groth
Heinie Werth
Chandra Chauhan

BIHL TRUST BOARD PROFILES



MAJOR GENERAL BAKWENA OITSILE
CHAIRMAN - BIHL TRUST

Major General Bakwena Oitsile currently serves as Chairman of the BIHL Trust Board following his appointment to the Board in 2008. He is the Managing Director of Bakwena & Associates.

Maj. Gen. Oitsile began his career as Chief of Mechanical Engineers, and has progressed in the Public Sector, joining the Botswana Police Service and the Botswana Defence Force where he earned the rank of Major General. He then joined the Human Resources sector as a Manager for Can Manufactures Botswana.

He has served as Board Chairperson of the SOS Children's Village since 2002 following 12 years as a member of the Executive Board of Directors. He has also served on the Executive Committees of the Botswana Football Association, Botswana Netball Association and the Botswana Lawn Tennis Association. Maj. Gen. Oitsile has a Basic Officers Engineer Course Diploma from Fort-Belvoir, Virginia, USA.



BOTSWELETSE KINGSLEY SEBELE

Botsweletse Kingsley Sebele was appointed to BIHL Trust Board in 2008. Mr. Sebele began his career as a Clerical officer, eventually serving as Permanent Secretary in the Ministry of Labour and Home Affairs. He has also worked in the Foreign Service, serving as Ambassador Extraordinary and Plenipotentiary to the United States of America, and the Republics of Brazil and Mexico. During his post in the US, he was Chairman to a group of Ambassadors from SADC countries in the country.

At present, Mr. Sebele is on the Flying Mission Board of Directors, and the Botswana Honours National Selection Committee.

He has held leadership positions in projects involving the Bamangwato Development Association, Moremi Wildlife Reserve and Maun Community Centre, and the Organisation of African Unity Labour Commission. Mr. Sebele holds a Diploma in Public Administration from the Institute of Public Administration in Dublin, Ireland.



ROSALEEN NHLEKISANA

Rosaleen Nhlekisana is Senior Lecturer and Head of the Department of African Languages and Literature at the University of Botswana. She was appointed to the BIHL Trust Board in 2015.

Dr. Nhlekisana's career in Education began as a High School Teacher in various secondary schools throughout the nation. She then went on to teach at the University of Botswana where she worked her way up from Staff Development Fellow to her current position. She has done extensive research on a variety of folklore, culture and gender issues, and has been published on several occasions.

She also serves as Chairperson on the Boards of the Tlokweng Intangible Cultural Heritage Committee, African Languages Association of Southern Africa and is Secretary of the Southern African Folklore Society. Dr. Nhlekisana holds a B.A. in Humanities from the University of Botswana, an M.A. in African Languages and Literature from the University of Wisconsin-Madison, and a Ph.D in Folklore from Indiana University in the USA.



NGWATSHI ENYATSENG

Ngwatshi Enyatseng was appointed to the BIHL Trust Board in 2014. She is the Executive Director of NGO, Junior Chamber International Botswana. Ms. Enyatseng joined JCI Botswana in 2008 where she served as Chief Public Relations and Administration Officer of the organisation.

Ms. Enyatseng has worked in various industries: following her tenure as Sales Representative at Thebe Insurance Brokers, she went on to work at FNB Botswana, BOFESETE and Naiko Events Management. She has also been a part of numerous projects including JCI's Youth Empowerment through IT and Malaria Nets initiatives.

She is a member of the Botswana National Youth Council Technical Committee and BOCCIM HLCC sub-committee. Ms. Enyatseng has a Bachelor of Accountancy from the University of Botswana.

MANAGEMENT TEAM AT BIHL GROUP



GAFFAR HASSAM (39)
CEO - BIHL GROUP

Gaffar Hassam was appointed as the Chief Executive Officer of BIHL and became a member of the BIHL Board on 01 December 2011. He joined the Group in 2003 as Botswana Life Insurance Limited Finance Manager and BIHL Company Secretary. Prior to his current appointment, he held the positions of Head of Finance and Actuarial Services, Chief Operating Officer and Group Finance and Operations Officer at Botswana Life Insurance Limited. He was appointed Acting CEO of BIHL in April 2011.

Mr. Hassam, who is also a Director of Letshego Holdings Limited and Botho University, began his career with PricewaterhouseCoopers in Malawi and was transferred to the firm's Botswana office in 2000.

He has an MBA (Oxford Brookes); is a Fellow of Association of Chartered Certified Accountants (FCCA) and a Member of Botswana Institute of Chartered Accountants (BICA).



ANDRE BESTER (42)
CFO - BIHL GROUP

Andre Bester was appointed as the Chief Financial Officer of BIHL on 1 September 2013. Andre began his career in 1995 with BDO Spencer Steward in Namibia where he completed his articles in 1997, there after he joined Standard Bank Namibia for a three year period as Financial Manager until 2000 when he joined Ernst & Young (NZ) in their Auditing and Advisory division for two years. Andre joined Old Mutual Namibia as Enterprise Risk Manager in 2003 until 2005 when he became involved in the setup of Bank Gaborone, initially as project manager of the green fields operations and in 2006 as Chief Financial Officer when the business became operational.

He has Honours degrees in Management Accounting (University of Stellenbosch) and Accounting (UNISA) and is a member of the South African Institute of Chartered Accountants (SAICA) and associate memberships of the Chartered Institute of Management Accountants (CIMA) and the Botswana Institute of Chartered Accountants (BICA).



ONTHUSITSE MAX MOSIACKGABO (40)
HEAD OF HUMAN RESOURCES - BIHL GROUP

Onthusitse Max Mosiackgabo was appointed as the Head of Human Resources of BIHL in 01 June 2013. He joined the Group in 2010 as Botswana Life Insurance Limited Learning and Development Specialist. Prior to his current appointment, Max held the positions of Learning and Development Officer and Manager (Organisation Development) with First National Bank of Botswana, Organisation Effectiveness & Talent Advisor at Debswana Mining Company and Learning and Organisations Development Specialist in BIHL. He was appointed to Acting Head of Human Resources in March 2013.

Mr. Mosiackgabo began his career with First National Bank of Botswana through the Executive Trainee programme, where he later took over the role of Training and Development Officer and later became the Manager Organisation Development.

He has a BA degree (University of Botswana); is a member of the Society for Human Resources Management (SHRM).



CATHERINE LESEDEDI - LETEGELE (47)
CEO - BLIL

Catherine Lesetedi-Letegele is CEO of Botswana Life Insurance Limited (BLIL), appointed in July 2010.

Ms. Lesetedi-Letegele first joined BIHL Group in June 1992 as a Supervisor. She was subsequently promoted twice during her period with the Group to Assistant Manager in 1998 and then Divisional Manager in 2000. She left BLIL and joined AON Botswana as Senior Accounts Executive in October 2004 and was promoted two years later to General Manager of Life and Employee Benefits.

In 2007, she returned to BLIL as Head of High Value Corporate Business until March 2010 when she was appointed Acting CEO of the company and then CEO in July.

Ms. Lesetedi-Letegele currently serves on the Boards of Funeral Services Group Limited, a Botswana Stock Exchange-listed entity, and FMRE, a re-insurance company. She is also the President of the Insurance Council of Botswana.

Ms. Lesetedi-Letegele holds a BA in Statistics and Demography (University of Botswana), an MDP from the Graduate School of Business (University of Cape Town), a Certificate in Executive Leadership (Cornell University, New York City) as well as professional qualification in Advanced Insurance Practice (UNISA). She has undertaken the Sanlam Executive Leadership Programme, Gordon Institute of Business Science, (July 2014). She is also an Associate of the Insurance Institute of South Africa (AIISA).



NEO LELE BOGATSU (41)
ACTING CEO - BIFM

Neo Bogatsu is an Executive MBA graduate of the University of Chicago Booth School of Business and holds a Bachelor of Commerce (Accounting) from the University of Botswana where she graduated in 1996.

Neo spent 4 years at Ernst and Young as an Audit Supervisor and was responsible for a team of trainee accountants. She then joined Barclays Bank of Botswana where she held three managerial roles in the Finance department of the Bank. As Head of Business Performance and Analytics she gained experience in Management and Financial accounting, Tax, Risk and Compliance.

She is a Finance professional with in-depth experience in Strategic Planning, Project Management, Budgeting and Forecasting. Years of experience in Banking and financial institutions operations has provided a solid foundation for her career as an accountant and business leader. Neo is a fellow member of the Association of Chartered Certified Accountants (FCCA), Botswana Institute of Accountants and Botswana Institute of Bankers. Neo joined Bifm in the role of Chief Financial Officer in June 2011. In January 2013, Neo was appointed to the role of Chief Financial & Operations Officer. Neo was appointed Acting Chief Executive Officer in March 2015.



MIKE DUBE (49)
GM - LEGAL GUARD

Mike Dube joined BIHL in July 2013 as Chief Financial Officer from CEDA where held the same position. Before that Mr. Dube held the position of Deputy Chief Executive Officer at CEDA from 2007 until he joined BIHLIC. Mr. Dube was assigned to Legal Guard in June 2014 to spearhead the restructuring of this business which had been experiencing challenges. Mike Dube was confirmed as the General Manager of Legal Guard in October 2014.

Mr. Dube is a Fellow of the Association of Chartered Certified Accountants (FCCA) and holds a Bachelor of Commerce (Accounting & Management) from the University of Botswana.

Mr. Dube has extensive experience in finance and accounting having worked in several large private parastatal corporations in Botswana as well as serving in a number of Boards.

BIHL CHAIRPERSON'S REMARKS

SIMPLY PUT: TO BE TRULY SUSTAINABLE, BIHL HAS TO TAKE ACCOUNT OF THE THREE P'S – **PLANET, PEOPLE AND PROFIT.**



WHAT DOES
BEING A
SUSTAINABLE
ORGANISATION
REALLY MEAN?"

THE BIHL GROUP OF
COMPANIES HAVE
LONG CONTRIBUTED TO
DESERVING CAUSES.

After all, we are in the “futures” business: the products and services we sell today will usually only be required by our clients in the distant future. What we do today will affect our ability to deliver that future. We have therefore always been acutely aware that we are responsible for building and operating a business that will meet the needs of our clients now and in the future, regardless of how distant that future may be.

We constantly take steps to protect this future. For example, we always have assets to match our annuities to ensure that when our clients want to start drawing on their pensions tomorrow, or in 20, 30 or 40 years, they will be able to do so.

As a Board, we also always evaluate the long-term impact of every decision we make. Occasionally, this means having to take actions that might not be popular in the short-term; but our responsibility is to look beyond that.

The question, however, is whether that is enough. What does being a sustainable organisation really mean? Does it obligate us to do no more than focus on the generation of profits in order to meet our future

commitments, important as this undoubtedly is? When we look at what an ever-increasing number of companies and organisations around the world are doing in order to be sustainable, it's clear that they are all looking beyond long-term profitability.

For these organisations, sustainability is inexorably tied to long-term profitability, but it is also reflected in activities relating to social justice and protecting the environment.

Simply put: to be truly sustainable, BIHL has to take account of the three P's – Planet, People and Profit.

How well does BIHL fare when evaluating our performance against the imperatives of the three Ps?

BIHL is well aware that as Botswana's oldest financial services company – and as the country's largest life insurer and asset manager – it holds a unique place in Botswana's social fabric.

The BIHL Group of companies have long contributed to deserving causes within the communities in which they operate. The establishment of the BIHL Trust, in 2007, formalised and streamlined the



Group's Corporate Social Responsibility activities. BIHL, as a Group, contributes one per cent of its Profit After Tax every year to the Trust. Again, we need to ask the question: should we be doing more; and if so, what?

And what about the planet? What, if anything, is BIHL doing to contribute towards the sustainability of our planet?

These are just some of the questions BIHL will have to address as it strives to become a truly sustainable organisation. Some of the answers to these questions may be found in the pages of this Report. Some of the questions may generate

additional questions; and some questions may not yet have answers.

However, with this Corporate Citizenship and Sustainability Report is set to become an annual undertaking, I am confident that BIHL will use it to plot a clear and unambiguous path into a better future for the organisation and all our stakeholders. To this, we have an unshakeable commitment.

BATSHO DAMBE-GROTH
Chairman

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Batsho Dambe-Groth joined the BIHL Group in 1994. In her capacity today as Chairman of the Board, she continues to steer and guide in accordance with sound corporate governance policies, championing increased focus on sustainable impact across the Group.

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

I AM EXTREMELY PROUD THAT BIHL GROUP TOOK THE INITIATIVE EARLIER THIS YEAR TO BECOME ONE OF THE FIRST COMPANIES IN BOTSWANA TO PUBLISH A **CORPORATE CITIZENSHIP AND SUSTAINABILITY REPORT.**



WE WANT TO BE THE BEST CORPORATE CITIZEN WE CAN BE."

SUSTAINABILITY HAS LONG BEEN A CORNERSTONE OF THE BIHL GROUP ETHOS.

The Group has long claimed to be a responsible corporate citizen. This Report is designed to evaluate that claim: to define what it means to be a good corporate citizen; to measure our actions against that; and to identify areas where we could do better.

Corporate citizenship is generally defined as a company's role in, or responsibilities towards, society. Others go further and extend this definition to include the way in which a company creates higher standards of living and quality of life in the communities in which it operates while still preserving profitability for stakeholders.

Increasingly, however, organisations are extending their focus on corporate citizenship to include "sustainability," a relatively new concept in the business arena (although it has been a rallying cry for environmentalists for decades).

Business sustainability is, and increasingly will be, central to the change that companies, markets and society will have to navigate as a progressively more uncertain future unfolds. According to the Global Reporting Initiative (GRI), sustainability reporting helps organisations like BIHL to set goals, measure performance, and manage change in order to make its operations more sustainable.

"A Sustainability Report conveys disclosures on an organisation's impacts – be they positive or negative – on the environment, society and the economy. In doing so, sustainability reporting makes abstract issues tangible and concrete, thereby assisting in understanding and managing the effects of sustainability developments on the organisation's activities and strategy." – GRI

The journey towards the production of this Report has been exciting, frustrating, eye-opening and extremely humbling. It felt, at times, as if we were fumbling in the dark and we had to constantly remind ourselves of why we had embarked on the journey in the first place: because we want to be the best corporate citizen we can be. We are committed to sustainable impact.

At the start of the BIHL Corporate Citizenship and Sustainability Report journey, we knew that the report would have to take account of social, environmental and economic factors. The challenge for BIHL, however, is that there are an enormous number of sustainability-related topics that could be included in a report like this. After much debate, BIHL has decided to follow the recommendation of the Centre for Corporate Governance in Africa, which is based at the University of Stellenbosch in South Africa. We committed ourselves to focusing on matters that are really critical in order to achieve our goals and manage our impact on society.



A WORK IN PROGRESS

THE 2014 BIHL SUSTAINABILITY REPORT REPRESENTS A FIRST ATTEMPT TO EVALUATE THE GROUP'S PERFORMANCE IN THE THREE PILLARS OF CORPORATE CITIZENSHIP AND SUSTAINABILITY: PEOPLE (SOCIETY); PLANET (ENVIRONMENT); AND PROFIT (ECONOMIC).

It has been gratifying to note that in some areas, BIHL has done remarkably well; in others, there is a great deal of work to do. However, we have taken a forward looking view about this document: it will not sing praises about the areas in which we have done well, nor will it airbrush the less satisfactory results of our initial appraisals.

Rather, this Report should be regarded as a work in progress. It will serve as the baseline against which future progress can and will be measured. It will serve as a guideline for what has to be done.

PLANET

FOR MANY, SUSTAINABILITY IS ABOUT THE ENVIRONMENT, SAVING THE PLANET, AND BEING "GREEN".

This focus on the environment has long been regarded as cornerstone of responsible corporate citizenship for specific types of businesses including those whose daily activities impact on the environment and planet's natural resources - mining, oil or manufacturing.

What, we asked ourselves, does the environment have to do with a Financial Services company? In what way can and do we impact on the environment, and what, if anything, can we do to make a positive difference? Our investigations revealed that financial services companies around the world are starting to change their corporate behaviour in order to contribute towards a sustainable planet.

It would be fair to say that apart from Environmental Impact Assessments of our new property investments and developments, environmental issues have not been a priority within the BIHL Group. That is changing.

BIHL is in the initial stages of developing a comprehensive environmental policy for the Group.

INTERNAL FOCUS

In addition, BIHL will develop an implementation blueprint for the rollout of environmental policy.

PEOPLE

THIS SUSTAINABILITY PILLAR HAD BOTH AN INTERNAL AND EXTERNAL COMPONENT.

INTERNAL FOCUS

Internally, it is focused on the BIHL team and issues such as skills development and health and wellness.

BIHL devotes a portion of its annual budget towards the training and development of its people. The importance of this investment to the Group's sustainability cannot and should not be underestimated.

Similarly, the Group's Health and Wellness programme does not only have a positive effect on the lives of our individual employees; indeed, it continues to make a tangible contribution to the bottom line.

EXTERNAL FOCUS

BIHL's external "People" focus is twofold:

- CSR
- Development

CSR

Traditionally, the focus of corporate citizenship has been outwards towards creating "higher standards of living and quality of life" for communities in which organisations operate. This is an area to which BIHL has devoted considerable attention and funding.

The BIHL Trust has done exceptional work in making a difference to individuals and communities across Botswana.

Through our Corporate Social Responsibility initiatives and the BIHL Trust, the Group has invested considerable funds towards supporting worthy causes across the country, with the focus mainly, but not exclusively, on education and upliftment.

Details of the BIHL Trust and its activities can be found on page 46 of this Report.

BIHL's contribution towards the enhancement of the quality of life of all Batswana, however, goes beyond charitable work and sponsorships.



The sustainability of any business depends on the ability of the organisation to attract and retain appropriately skilled employees."

DEVELOPMENT

The Group has made, and continues to make, a significant contribution towards the enhancement of the quality of life of all Botswana.

This includes providing people with financial peace of mind: for their retirement; while in retirement; as well as for their dependents.

In addition, BIHL has been the driving force behind many ground-breaking developments in the country that have impacted positively on the Botswana way of life. For example, it was BIHL that first introduced the concept of modern mall shopping to the country. We started with Game City in Gaborone, and our most recent Mall development, Airport Junction, is the currently largest shopping mall in the country.

We have also been responsible for several other pioneering developments. These have included Plot 21, the first major Public Private Partnership development projects in the country.

BIHL also contributes towards the sustainability of the tourism sector, which plays an important role in the economy of the country, not least of which is the creation of sustainable jobs.

This subscribes to the principles prescribed by the Government with respect to economic development.

This includes, for example, developing, empowering and promoting SMMEs (Small, Micro and Medium Sized Enterprises) and previously disadvantaged sectors of the Botswana economy.

As far as possible, BIHL's procurement is directed at promoting, supporting and encouraging the use and employment of Botswana products, services and businesses.

PROFIT

ULTIMATELY, THE FIRST TWO SUSTAINABILITY PILLARS – PLANET AND PEOPLE– WOULD COLLAPSE WITHOUT THE THIRD, PROFIT.

Profit is about the business of the business, its financial and operational sustainability.

We recognise that, by conducting the Group's affairs with integrity and following sound corporate governance practices, we will ensure the long-term sustainability of the business.

While, as a Botswana-based company, BIHL is not regulated by the King III Code of Corporate Governance, we have nevertheless actively chosen to follow its prescriptions.

We have also adopted a host of risk-related policies and protocols which are designed to promote or guarantee the sustainability of the organisation as a business.

CONCLUSION

BIHL HAS AN UNWAVERING COMMITMENT TO SUSTAINABILITY.

For the first time, we are proactively ensuring that we become a fully sustainable organisation in every way possible

Thanks to the development of this Report, we now have a Sustainability Policy on which to build. As can be seen from this Report, there is much that still needs to be done.

Our goal for the next 12 months will be to focus on improving on those areas in which we have done well, while simultaneously tackling those areas that have been neglected to date.

I believe that our Strength in Numbers can and will result in positive, sustainable impact.

Indeed, I am confident that our next Sustainability Report will reflect the strides that will have been made in this regard.

GAFFAR HASSAM
Group CEO

360

FULL TIME EMPLOYEES

Legendary Apple founder, Steve Jobs, once shared a parable on teamwork about a simple can of coffee and the less than beautiful rocks he witnessed a man put in. The coffee can was shaken to no end with a bit of liquid and a bit of grit powder inside. Jobs returned to the man the next day to find that what emerged from the can after much motion were beautifully polished stones. "Through the team, through that group of incredibly talented people bumping up against each other (...) and working together they polish each other and they polish the ideas, and what comes out are these really beautiful stones." It is the perfect description of the incredible agitation of ideas and passion from the team behind BIHL Group that helps us deliver proverbial diamonds.

5 LOCALS

IN TERMS OF DEVELOPMENT INITIATIVES IN 2014, FIVE OF OUR MOST PROMISING SUCCESSORS TO OUR EXECUTIVE SUITE WERE SENT ON UNIVERSITY OF STELLENBOSCH'S SENIOR MANAGEMENT DEVELOPMENT PROGRAMME TO PREPARE THEM FOR THEIR FUTURE LEADERSHIP ROLES. THE FIRST COHORT OF THESE TRAINEES GRADUATES IN THE CURRENT FINANCIAL YEAR.

PEOPLE

PEOPLE ARE THE LIFE FORCE, BOTH LITERAL AND PROVERBIAL, OF ANY BUSINESS. 40 YEARS AGO, BIHL BEGAN WITH PEOPLE. FOUR DECADES LATER, PEOPLE REMAIN AT THE HEART OF WHO WE ARE AND WHAT WE DO.



FROM OUR CUSTOMERS TO OUR STAFF,
AND THE COUNTLESS NUMBER OF PEOPLE
INVOLVED IN MAKING THIS BUSINESS WHAT
IT IS TODAY, PEOPLE REMAIN OUR CORE.

IT GOES WITHOUT SAYING, THEN,
THAT THE FUTURE OF THE BUSINESS,
THE VERY ABILITY OF IT TO HAVE ANY
FORM OF SUSTAINABLE IMPACT, IS
DEPENDENT ON PEOPLE; OUR PEOPLE.

.....
Each and every member of the BIHL Group family and friends, through their
passion, support, loyalty and hard work, contributed to our Strength in Numbers.



PEOPLE PILLAR

BEING IN THE SERVICE
INDUSTRY, THE SIZE
AND PROFITABILITY OF
THIS GROUP TO DATE IS
REFLECTIVE OF THE HUMAN
CAPITAL STRENGTH THAT
EXISTS AT BIHL. STAFF ARE
VIEWED AS CRITICAL TO THE
REQUIRED SUCCESS.



EVERY BUSINESS OR ACTIVITY IS, AT ITS VERY ESSENCE, SOME KIND OF TRANSACTION.

Whether it is a boardroom deal or a basic
exchange of goods and information,
we are by our very nature designed to
“transact.” What it is we are doing,
however, is beyond that. In an industry
that deals with transactions in their
most mechanical form, what we actually
drive is human interaction. We are in the
business of the most basic and primal of
exchanges: that of ideas, information,
and the basic human connection. People,
therefore, are very much the driver, the
platform and the lifeblood of who we are
and what we do.



HUMAN RESOURCES REPORT

Human resources, or human capital, is an asset whose value cannot be overstated. Our Strength in Numbers is not simply to do with our bottom line, but in the depth and breadth of the skills and passions of our people.

SUSTAINABILITY BEGINS AT HOME. IT IS THEREFORE IMPORTANT THAT BIHL, WHICH IS CONCERNED ABOUT THE SUSTAINABILITY OF THE ORGANISATION, ALSO MANAGES ITS EMPLOYEES IN A SUSTAINABLE WAY. THIS REQUIRES BIHL TO BE A "RESPONSIBLE EMPLOYER."

What does that mean? It means putting our People first. It means going beyond remuneration and valuing their talents; fostering their professional development; preserving their health and safety; ensuring that they are informed; promoting the exchange of knowledge, diversity, and the quality of life in the workplace; and involving them in the Group's CSR strategy.

In order to assess our performance as a Responsible Employer, we participated in the Deloitte "Best Company to Work For" survey in 2013.

This gave us a baseline evaluation of how well we were performing, and enabled us to identify areas that required attention.

In line with this, BIHL strives to fulfil the 10 principles of socially responsible employers as set out by the "Companies that Care" organisation:

1. Sustain a work environment founded on dignity and respect for all employees
2. Make employees feel their jobs are important
3. Cultivate the full potential of all employees
4. Encourage individual pursuit of work/life balance
5. Enable the well-being of individuals and their families through compensation, benefits, policies and practices
6. Develop great leaders, at all levels, who excel at managing people as well as results
7. Appreciate and recognise the contributions of people who work there
8. Establish and communicate standards for ethical behaviour and integrity
9. Get involved in community endeavours
10. Consider the human toll when making business decisions

WELLNESS PROGRAMME

BIHL instituted a wellness programme (Well@Work) in 2012 in response to concerns about the rapidly rising cost of health insurance for employees. The purpose of the two-year programme was to introduce interventions that would directly impact the well being of employees.

This is a holistic programme that started with assessment of the employees' general physical and mental health; offered advice on how employees could improve their health; and then provided practical support to assist them to make those improvements. The goal is to empower employees to take care of themselves.

The programme commenced with an assessment of how well our employees were looking after themselves. Virtually every employee participated, including senior management.



WHAT DOES BEING A SUSTAINABLE ORGANISATION REALLY MEAN?"

The results were extremely concerning. The majority of BIHL employees are aged between 35 and 44. However, the first health assessment revealed that many of BIHL employees were either already suffering from, or at serious risk of developing, a range of lifestyle-related illnesses including diabetes and hypertension. These diseases usually affect people who are older than 50. It was clear that this situation would have to be addressed, and quickly.

Detailed feedback was provided to each employee with recommendations for ways in which to improve their health – eating plans were provided and exercise regimes were suggested. BIHL subsidised gym memberships; and where psychological and family counselling was indicated, this was also provided. Meanwhile, health assessments continued to be conducted on every employee by qualified medical practitioners every quarter – enabling employees to gauge their progress and take action accordingly.

The momentum grew. Employees started initiating their own programmes: a 'biggest loser' competition was instituted;

a 'buddy system' took shape to enable employees to encourage each other in their efforts to change their lifestyles. The effect of this programme was remarkable.

Employees became fitter, trimmer – and, most importantly, healthier. This fact is reflected in the 9 per cent decline on the Group's health insurance bill within the first year of the programme's implementation. It is also reflected in marked decline in absenteeism.

An unexpected and welcome result of the programme was a marked improvement in compliance related to the Group's ARV programme. When the ARV programme was first introduced in employees who had tested positive for HIV were placed on the programme. However compliance with the ARV regime was not satisfactory with a default rate of around 20 per cent. However, following the introduction of the Well@Work programme with its holistic focus on health and wellbeing, ARV compliance improved rapidly to 100 per cent. The official conclusion of the two year Well@Work programme was marked by the Group's largest wellness day.

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The growth of our people, beyond the boundaries of their job descriptions, is of vital importance to us as a business. Strong, well-rounded, passionate and diligent drivers of change and progress are hard to come by. These are gems to be nurtured and grown, a key focus of our HR capabilities.

TRAINING AND DEVELOPMENT

Sustainability of any business depends on the ability of the organisation to attract and retain appropriately skilled employees.

Over the past two years, BIHL has done extensive work on the development and implementation of a sustainable Human Resources policy.

Retention initiatives instituted in 2012 had succeeded in enabling the Group to retain more than 90 per cent of critical talent over the next year. However, the Group's succession policy and planning remained a major concern. It was clear that in light of events within the organisation at that time, much work had to be done. An assessment of available talent indicated that the organisation faced a significant risk in terms of having sufficiently skilled individuals ready to take up positions within middle management within the next five years. It was clear that interventions had to be put in place, urgently.

As a first step, the Group had to determine the shape the organisation would take. The next move was to identify



individuals who could take up positions on what we termed “the leadership bench” – individuals earmarked for more senior positions within the organisation.

The next goal was to prepare and empower these individuals for their future roles. A total of 80 individuals participated in personalised, executive coaching programmes that lasted between one and eight months. Management development programmes were also provided.

As a result of these interventions, the Group was able to fill no fewer than four of its executive roles by candidates who were initially identified as successors. Prior to the introduction of these talent development initiatives and the development of detailed succession plans, BIHL would have had to search for suitably skilled talent outside the organisation.

The Group’s succession plan is on track and is maturing. Within the subsidiaries, there are active people-specific committees focusing on succession planning, the development of high potential as well as general conversations around people policies, activities and engagement.

COMMUNITY INVOLVEMENT

BIHL is developing a community involvement volunteer programme for employees. This could expand on an already existing programme in one of the subsidiaries which gives employees paid leave – a few hours or a day – to contribute to a cause within their community. The framework is being put in place to extend this to all employees within the Group.

OUR ORGANISATIONAL CULTURE

BIHL'S FOCUS ON SUSTAINABILITY – AS REFLECTED IN THIS REPORT – IS A NEW DEPARTURE FOR THE GROUP. THE EFFORT THAT HAS GONE IN TO PREPARING THIS REPORT IS AN INDICATION OF THE IMPORTANCE WE ATTACH TO THE SUBJECT.

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The culture of an organisation is not set or static. It grows, develops, and evolves. We believe in ensuring adequate investment in instilling and growing this culture to its greatest potential.

However, we are aware that there is always a danger that our current focus on sustainability could weaken over time; that sustainability within BIHL could be relegated to just a passing fad or 'flavour of the month.' The imperative of sustainability makes it vital that this is not allowed to happen.

Sustainability therefore has to become an increasingly integral part of doing business within BIHL. If we are to effectively balance our financial, social, and environmental risks, obligations and opportunities, sustainability must not be allowed to be nothing more than an add-on, or a "nice to have." It must become

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There is no shortage of proverbs, adages and anecdotes on why more minds, more hearts, and more hands are better than just one. This could not be truer when it comes to our Strength in Numbers, both proverbial and literal.





the way we do things around here, every day, all the time. In other words, we have to work hard towards making sustainability an everyday, enduring part of our business, something that has both penetration and traction. Sustainability has to become intrinsic to what we do as well as who we are.

It has to become integral to our corporate culture. Every organisation, from small businesses to large corporations, has a culture which manifests in the values and attitudes of employees and management. At present, despite the production of this Report, sustainability is not yet central to the BIHL corporate culture. Certainly, aspects of sustainability have always been integral to the BIHL culture: the establishment of the BIHL Trust to consolidate and co-ordinate our CSR endeavours; our long held commitment to being a “good corporate citizen;” the development and implementation of programmes aimed at employee

development; succession planning; and our utilisation of environmental impact studies relating to our infrastructure and building developments are just some examples of this. However, we have a long way to go before we can claim that BIHL has a culture of sustainability throughout the organisation.

BIHL is just at the start of our sustainability journey. We recognise that a key component of this journey will involve embedding sustainability into our organisational culture – ensuring that our “shared assumptions and values as well as expected behaviours and symbols” or, more simply, the way we do things, are all directed at ensuring the sustainability of our organisation and its impact on the people and environment around us.

As we move towards developing a culture of sustainability, we will have to bear in mind that organisational culture goes beyond doing things in a particular

way; it also defines who we are as an organisation and as members of that organisation. This culture is reinforced and reshaped through our daily practices.

In order to embed a culture of sustainability within BIHL, we have to find ways to ensure our people – all our people - hold shared assumptions and beliefs about the importance of balancing economic efficiency, social equity and environmental accountability. As Dr. Stephanie Bertels et al. commented in their paper, “Embedding Sustainability in Organizational Culture,” organisations with strong cultures of sustainability “strive to support a healthy environment and improve the lives of others while continuing to operate successfully over the long term.”¹

That is the culture BIHL will strive to develop within our subsidiaries and our overall corporate structures.

¹ Dr. Stephanie Bertels et al., Simon Fraser University for the Network for Business Sustainability: Embedding Sustainability in Organizational Culture, 2010]

WHAT SUSTAINABILITY MEANS TO OUR PEOPLE

AS WE START TO MORE FIRMLY ENTRENCH A CULTURE OF SUSTAINABILITY WITHIN OUR ORGANISATION, HOW OUR PEOPLE, THE VERY BUILDING BLOCKS OF THIS BUSINESS, UNDERSTAND AND ENGAGE WITH "SUSTAINABILITY" IS KEY.

What, then, does sustainability actually mean to our people? Do we continue to treat it merely as a concept that is being driven by management or do they appreciate the need to adopt sustainable practice even at individual level? Thus, ensuring that a focus on upliftment of Batswana is a part of the very fabric of how we do business.

The simple answer is that there is a great deal more work to be done to ensure that all of our people truly epitomise sustainable practice in all facets of the business and, indeed, in their own lives. There is a great deal of work to be done; however, we believe we are well poised to meet this challenge. For us, this means seeing every member of the Group and its subsidiaries, no matter what their role in the BIHL family as a whole, cognisant of the impact of sustainable practice and sustainable development. It means them recognising how they too can drive sustainability across the board.

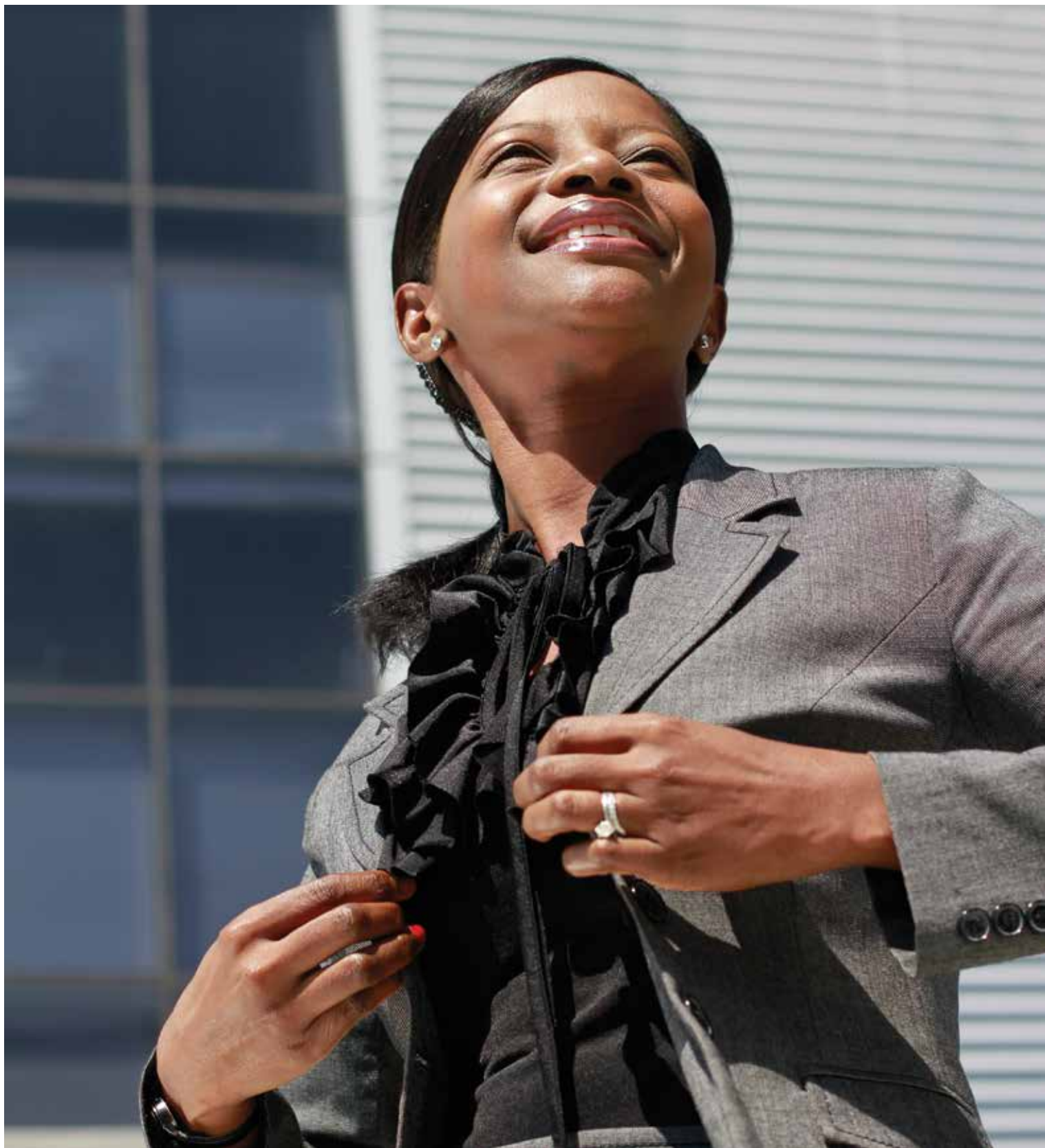
We can see the beginnings of this, for example, in such practices as community service, with many of our team volunteering time and effort even in their personal capacities, for charitable work.

We see this, too, in the investment of their time in such platforms as the Sports and Social Club, with a view to promote wellness and exercise as vital to a healthy and well-rounded team. Indeed, we see it in the constant efforts towards growing themselves personally and professionally, be it in on the job career enhancement or through any number of training programmes and courses, many of which are actively promoted and even funded by the business itself.

The fundamental basics of building a more sustainable organisation are already in play, though there is more, a great deal more, we are yet to do. Working with our people, investing in them, and in turn encouraging them to invest in growing the business together, are what help make this more achievable.

Two hands are better than one; four hands are better than two; and so on. It is with the support and passion of all members of the BIHL Group - our People - working together that we strive to make a concerted, impactful difference in our community and our economy.





EMPLOYEE DIVERSITY

HOW DOES ONE MEASURE THE HUMAN FACTOR IN OUR STRENGTH IN NUMBERS?
WE HAVE 360 FULL TIME STAFF ACROSS THE BIHL FAMILY, COMPRISING OF TALENTED, VIBRANT AND DILIGENT MEMBERS, ALL OF WHOM ARE EXPERTS IN THEIR FIELD. WHAT, THEN, SETS THEM APART FROM THE REST OF THE ECONOMIC CADRE?

880 BROKERS
AND
AGENTS

360 FULL-TIME
STAFF

Over 60% of our workforce is female. Female empowerment remains key. In a country recognised for having an impressive number of women in positions of power, we are pleased to note no less than three of our key leaders (Group Chairperson of the Board, Botswana Life CEO, and Bifm Acting CEO) are successful Botswana women who continue to thrive in their various industries. Beyond this, we are excited to have a diverse mix of academic backgrounds and qualifications from various spaces, contributing to a truly well rounded and eclectic mix of knowledge. Indeed, we actively encourage the celebration and sharing of talents beyond the confines of office

practice, be it in sporting, entertainment or even vocational arenas.

When it comes to measuring the human spirit and the passion of the people that help drive our business, measurement can be a tricky thing. Even in a business that celebrates numbers, and for whom numbers are so central, no number can do justice to the enthusiasm, energy, vibrance and diversity of our people.

They continue to embody the very spirit of BIHL at every turn, and contribute towards ensuring this spirit only grows stronger. We, as a business, continue to invest in them.

We are fortunate as a business to have a team as rich in its diversity as they are in their zest for making a difference, be it in their jobs or in their social capacity. It is a rare find, and one to be celebrated.

INVESTING IN PEOPLE AND TALENT

WHY PEOPLE DEVELOPMENT IS IMPORTANT

CORPORATE SUSTAINABILITY STARTS, NOT WITH PROFIT AS MANY STILL BELIEVE, BUT WITH PEOPLE.

A COMPANY'S SUCCESS DEPENDS ON ITS ABILITY TO PROVIDE INNOVATIVE SOLUTIONS TO ITS CUSTOMERS, ITS SKILL AT IDENTIFYING AND LEVERAGING GROWTH OPPORTUNITIES AND ITS REPUTATION AS A TRUSTED PARTNER.

It is only the collective capability of a company's people – what BIHL refers to as Strength in Numbers – that makes this possible. However, the mere employment of many talented people does not guarantee the sustainability of an organisation. There are clear indications of a distinct correlation between happy, inspired and engaged employees and increased profitability. Businesses are finding – and this is supported by empirical research such as that undertaken by Gallop for the Gallop-Healthways Wellbeing Index – that taking care of one's workforce in fact drives greater productivity and thus greater profitability. Employees with positive feelings towards their jobs work harder, are more innovative, are healthier and are a lower risk to the business.

The latest Gallop-Healthways Wellbeing Index, a US-based survey that quizzes employees about their level of job satisfaction, found that organisations that successfully engage their employees through the creation of supportive, stimulating, collaborative, and rewarding

work environments, and enable them to make progress in meaningful work, have significantly high earnings per share growth than organisations with lesser engagement in the same industry.

This research indicates that rather than focus exclusively on external factors such as retaining market share, businesses can drive sustainability, productivity and returns more effectively by focusing internally on effective employee engagement and retention. Indeed, development planning of human capital – helping one's employees to shape the future direction of their careers – is a key aspect of corporate sustainability. Companies pay a high price for not doing this: the loss of top young talent.

In a Harvard Business Review article, "Why Top Young Managers Are in a Nonstop Job Hunt," the authors - Monika Hamori, Jie Cao and Burak Koyuncu - described a study based on analysis of international databases of over 1,200 young high achievers, and concluded that many of the best and the brightest are not receiving the career development support they desire.

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We strive to ensure that every member of staff within the Group and its subsidiaries is constantly inspired, motivated and challenged to grow and develop.



The article stated:

“Dissatisfaction with some employee-development efforts appears to fuel many early exits. We asked young managers what their employers do to help them grow in their jobs and what they’d like their employers to do, and found some large gaps. Workers reported that companies generally satisfy their needs for on-the-job development and that they value these opportunities, which include high-visibility positions and significant increases in responsibility. But they’re not getting much in the way of formal development, such as training, mentoring and coaching – things they also value highly.”²

Certainly, replacing a good employee can be done, but the cost of having to do so is high. Estimates range from between 70% to 200% of an employee’s annual salary in countries like the US where there is a substantial talent pool from which to recruit. In countries like Botswana where the talent pool is far, far smaller, the loss of a good employee can be significantly more costly. However, regardless of actions taken by any corporation, employees do move on. By nurturing its talent, an organisation can and does contribute to the broader sustainability of the local economy by contributing to a strong, diversified and well qualified employment pool of economically active people. This is especially important in a country like Botswana with its relatively small, though growing, pool of skilled and talented people.

Nevertheless, the primary driver for corporate sustainability is clearly to attract and retain the best talent. This is best achieved through engaging employees in ways that motivate and empower them. This is what BIHL seeks to do through its various HR strategies and

programmes, some of which are designed to nurture a talent culture throughout the Group.

A talent culture is one that develops the leadership capabilities of all employees; strengthens diversity and inclusion in the workplace; enhances succession planning; and deepens a company’s talent pipeline through early identification of potential and development programmes.

Research also confirms that engaged employees – those who are directly involved in non-work related activities within the organisation, such as its Corporate Social Responsibility projects that involve the external People and Planet pillars of corporate sustainability – are more productive, drive customer loyalty, have higher retention, and have greater work/life effectiveness.

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² <https://hbr.org/2012/07/why-top-young-managers-are-in-a-nonstop-job-hunt/ar/1>



OUR STRENGTH IN RESOURCES

SECURING THE PEOPLE PILLAR OF CORPORATE SUSTAINABILITY CAN BE SUMMED UP BY FOUR KEY FACTORS:

- i. Talent management: attracting the best people, provide growth and development opportunities, engage and retain them.
- ii. Transformation: drive activities designed to create a diverse and inclusive workplace.
- iii. Talent Culture: drive behaviour that supports the consolidation of a high-performance culture.
- iv. Skills development: provide extensive processes and training programmes designed to assist staff development and career growth. Training is crucial because it:
 - Educates employees and enables them to perform their daily activities correctly,
 - Ensures competitive edge in the market,
 - Promotes safety and health among employees,
 - Creates opportunities for career development and personal growth, an important factor in retaining workers
 - Helps employers comply with laws and regulations, and
 - Improves productivity and profitability.

Looked at this from another perspective, training is crucial because untrained employees feel inadequate, underachieving and are unhappy. They aren't satisfied in

their work, which will cause them to underperform, make mistakes, and not care about their work product. That costs the business in lost time and money.

They are also inefficient. More time (and therefore money) and effort are spent when employees aren't fully or properly trained to perform their tasks or to fulfil their responsibilities. It takes them longer to do the work. And when an untrained worker makes a mistake, time is lost and the work then has to be done again. In a financial services environment, the mistake could end up costing the company dearly not only in having to compensate the client, but also in the potential loss of that client.

In the final analysis, fulfilling the People pillar of corporate sustainability comes down to being a Responsible Employer. Participation in exercises such as "Best Company to Work For" surveys such enable businesses striving for sustainability to effectively measure their performance in this regard.

WHAT WE ARE DOING TO DEVELOP OUR PEOPLE

WE UNDERSTAND THAT IN ORDER TO ENSURE A CONSISTENTLY HIGH CALIBRE OF PEOPLE, OUR VERY OWN STRENGTH IN RESOURCES AND HUMAN CAPITAL, WE NEED TO INVEST STRONGLY IN DEVELOPING OUR PEOPLE. A HEALTHY, HAPPY, AND SKILLED TEAM ARE WHAT WILL HELP DRIVE US FURTHER TOWARDS SUCCESS.

To that end, a number of initiatives exist to develop and up-skill our people across the Group. First and foremost is the adoption of a Study Policy across the Group. This works to guide the development process and support employees throughout their career within BIHL. It ensures that growing our people remains a priority, and is made a priority through outlining clear, effective processes towards professional and academic development.

As part of this, supported programmes range from supervisory development to management development and senior management development. Beyond this, we are of the view that strategic collaboration and relevant stakeholder relationships which can work towards benefitting our people are key. Wherever possible, we work towards leveraging these so that we can support our team in their pursuits. We are, for example, affiliated with various institutes of learning both locally and internationally.

These include but are not limited to Stellenbosch University, Botswana Accountancy College, and Ba Isago, as well as various other institutions our employees choose to study with.

Of course, we understand that, oftentimes, it is not enough to simply have access to the necessary platforms for advancement, when the means towards accessing those can be a constricting factor. Thus, as a matter of policy, study loans are afforded to all staff who want to develop themselves in various fields.

Although we primarily encourage industry related and aligned programmes, employees are free to pursue programmes of their choosing. This is also done to encourage a culture of continuous learning among our people. It is only through a culture of continuous improvement that we can effectively contribute towards the sustainability of the organisation.

We have an unwavering commitment towards giving our talent the opportunity to grow and stretch themselves for more challenging roles.

This forms a key component in our succession plan, and a true testament to this is the fact that, in 2014, a majority of our executive vacancies were filled by talent who were groomed as successors to the roles. We strive, by all means, to grow our own, and develop them towards further success.

We are a business of people, and people remain at the heart of what we do and how we do it. Ensuring we have the best people for the job, people equipped with the knowledge and passion to move forward, is vital.



TRAINING AND SKILLS DEVELOPMENT

The financial services industry continues to grow and change almost every second, and there is a constant need to keep abreast of changes within the industry and our own economic climate."



IS ON THE JOB TRAINING

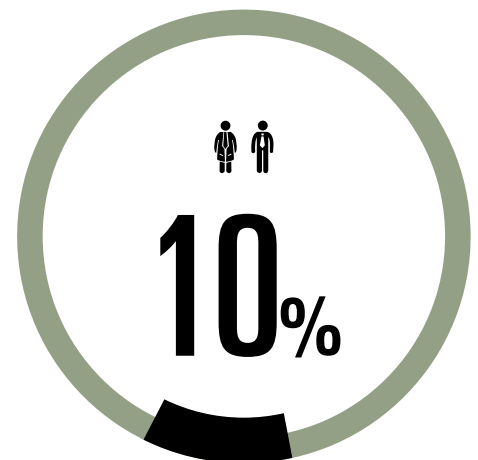
Thus, much as with the broader focus on growing and developing our people, there is a focus on up-skilling our people with the very particular skill-set needed in our kind of business. At BIHL, we have a very strong learning and development philosophy:



PROJECTS, ASSIGNMENTS AND JOB ROTATIONS

- 70% is on the job training
- 20% projects, assignments and job rotations
- 10% formal training

There is, as always, great room for more to be done in this space as we firmly believe one can never be trained enough. Knowledge is not an endpoint. It is a never-ending journey.



FORMAL TRAINING

To that end, plans are underway towards embedding talent management processes to strengthen our succession management capability. In addition, work is being done towards ensuring greater career management to support our employees' growth.



THE BIHL THOMAS TLOU SCHOLARSHIP

THE BIHL THOMAS TLOU SCHOLARSHIP WAS LAUNCHED IN AUGUST 2011 TO COMMEMORATE THE LIFE AND WORK OF ONE OF BOTSWANA'S MOST OUTSTANDING HISTORIANS, SCHOLARS AND DIPLOMATS, PROFESSOR THOMAS TLOU.

The scholarship is awarded annually to two deserving, underprivileged individuals who wish to pursue post-graduate studies in any discipline that is intended to contribute to the socio-economic development of Botswana.

The first scholarships were awarded for the 2012 academic year and by 2014, six students were being assisted to further their studies.

A further two scholarships will be awarded for the 2015 academic year, while two of the original scholarship recipients will have completed their studies by end-2014.

In an unexpected, but highly appreciated development, the recipients of the Thomas Tlou Scholarship have joined forces to sponsor a deserving, needy secondary-school student.

This sponsorship not only covers the pupil's day-to-day needs – books, school fees, uniforms, pocket money and so on – but also includes direct mentorship from the Thomas Tlou Scholarship holders.

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The Thomas Tlou Scholarship was developed in collaboration with the Tlou family to celebrate, preserve and cherish the legacy of the great academic and historian, Professor Tlou. Pictured are 2014 scholarship recipients Ms. Liah Machara and Mr. Obakeng Kheru.

SIGNIFICANCE OF OUR EDUCATIONAL PROJECTS

BIHL TRUST IS INVOLVED IN SEVERAL EXCITING EDUCATIONAL PROJECTS THAT BUILD ON THE CONTRIBUTIONS WE HAVE MADE TO VARIOUS ORGANISATIONS AND INSTITUTIONS IN THE PAST. THESE INCLUDE: THE MARU-A-PULA SCHOOL ORPHAN AND VULNERABLE CHILDREN'S FUND AND THE DEPARTMENT OF EDUCATION'S "ADOPT-A-SCHOOL" CAMPAIGN.

The BIHL Trust Board has contributed over P1 million to the Maru-a-Pula School Orphan and Vulnerable Children's Fund over the past four years. This donation goes into a fund that allows disadvantaged children to attend the school. Indeed, 30 percent of the children attending Maru-a-Pula School are recipients of scholarships made possible by donations from organisations like BIHL Trust. Many who have been given this opportunity have gone on to attend some of the world's leading universities.

At the same time, BIHL is one of the leading supporters of the Government's "Adopt-A-School" programme which was initiated by the Department of Education with the aim of improving the results of pupils at Government schools throughout the country. It was felt that if pupils could be encouraged to read more, this would improve their literacy levels which, in turn, would translate into better results across all subjects.

As part of our involvement in the "Adopt-A-School" programme, BIHL has built and stocked libraries at eight primary schools around the country at a cost of P600,000.

However, building the libraries has proven to be the easy part of the project. Getting the children to utilise the libraries is posing a greater challenge.

Back to Maru-a-Pula School. This school has an excellent outreach programme which requires pupils at the school to perform community service. BIHL Trust therefore approached Maru-a-Pula and suggested that some pupils do their



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A focus on improving literacy rates in schools nationwide continues to be a priority for BIHL. The Literacy Training Project, is a prime example of this, and was a perfect example of a Public-Private Partnership between the Ministry of Education and Skills Development (MoESD), BIHL Trust, and Stepping Stones International to empower teachers to better educate our youth.



community service at nearby BIHL “Adopt-A-School” schools. The Maru-a-Pula pupils would not only work in the libraries, they would also mentor and encourage their less privileged peers to use the facilities provided.

The success of this initiative has been quite remarkable. Utilisation of the libraries at the schools “adopted” by the Maru-a-Pula pupils has increased significantly. However, the question remained whether this would be enough to make a significant impact on poor academic results in these schools. What about the children who were still not utilising the libraries, possibly because they found reading a chore due to poor reading skills, rather than the pleasure it should be?

BIHL Trust therefore decided to take things a step further. We researched the issues around poor literacy and made contact with Stepping Stones International (SSI). SSI has developed a “Next Steps Literacy Clinic” utilising proven methods formulated by the University of Utah Reading Clinic in the United States.

BIHL then sponsored a 20-day training course for 77 teachers from our “Adopt-A-School” schools to become proficient in utilisation of the “Next Steps” literacy programme. These teachers were not only introduced to the programme, they were also provided with literacy kits to enable them to effectively implement the programme at their schools.

This holistic literacy intervention is currently being monitored and evaluated to see how well the trained teachers are implementing the programme at their schools; and, more importantly, the impact this is having on the pupils’ literacy levels. Eventually, it will also be assessed to determine whether this basic intervention is translating into improved overall school results and pass rates.

Depending on the results of this evaluation, the Ministry of Education has expressed a strong interest in integrating the Next Steps approach to literacy in the national educational curriculum. In 2015, the project will see a second wave of teachers trained.

This is a medium- to long-term project for BIHL Trust. If it is shown to have the desired effect, it will undoubtedly have the most sustainably positive impact on education in Botswana – and potentially on the overall economic and social fabric of the country for many, many years into the future.

PROJECT ASSESSMENT AND APPLICATION PROCESSES

TRANSPARENCY IS KEY TO THE BIHL GROUP. THIS PILLAR AND VALUE CAN BE SEEN EVEN AS WE ENGAGE WITH COMMUNITIES. TO THIS END THE FOLLOWING PAGES SHARE OUR PRINCIPLES AND FOCUS AREAS WHERE BIHL AIMS TO PARTICIPATE. THERE WILL BE TIMES WHERE EXTRA ORDINARY CIRCUMSTANCES DICTATE THAT WE CONSIDER PROJECTS AND INITIATIVES OUTSIDE OF THE FOCUS AREAS. IN THOSE INSTANCES THE BIHL TRUST'S BOARD WILL CONSIDER FUNDING ON THOSE SPECIFIC MERITS. IN THE PAGES 50-57 YOU THE READER WILL FIND THE ACTUAL FORMS WE ASK ORGANISATIONS SEEKING FUNDING TO USE WHEN APPLYING.

FUNDING PRINCIPLES

- a) BIHL Trust only awards grants for projects within the Republic of Botswana.
- b) The Trust funds individuals, groups, community organisations such as Village Development Committees. In the case of non-governmental organisations, these must be registered as being for non-profit purposes and must have audited financial statements.
- c) Submission of a complete application with all the necessary documentation does not guarantee that funding will be approved.
- d) BIHL Trust funds both once-off and specified duration projects.
- e) BIHL Trust provides funding for core/operational costs, as well as for implementation of monitoring and evaluation systems.
- f) BIHL Trust expects funds disbursed to be used to meet project deliverables not for incidental expenses such as accommodation, travel and food.

- g) Economically empowering projects are preferred to non-economic empowering projects. The latter will only be considered on exceptional and/or compassionate grounds.
- h) Where Government is involved in a project, BIHL Trust will only participate where it is possible to collaborate and draw synergies from Government.
- i) Where BIHL Trust is collaborating with other funding agencies, its resources will only be deployed if and when there is commitment from the other parties.
- j) Applications for funding that include substantial consideration of the following themes will be advantaged in the selection process:
 - I. Poverty eradication
 - II. Innovative solutions
 - III. Partnerships with government, other donors and other NGOs
 - IV. Community engagement and ownership of projects, and;
 - V. Sustainability after funding from the BIHL Trust has ceased.

INELIGIBLE ACTIVITIES/AREAS

The following activities/areas are not considered for support by BIHL Trust:

- a) Overseas tours and exchanges.
- b) Company promotions and membership subscriptions.
- c) Musical festivals/choirs and/or video and film productions.
- d) Political or quasi-political bodies.
- e) Religious organisations (except community outreach projects).
- f) Trade unions.
- g) General fundraising requests (only specific requests will be considered).
- h) Leveraged giving (meeting the costs of collecting donations from others).
- i) Endowment trusts.
- j) Commercial ventures.
- k) Loans and investments.
- l) Grand projects which are beyond the capacity of BIHL Trust to contribute to meaningfully.
- m) Generalised school requests (such as for computers in a context where there is no evidence of focused use and educations purpose).
- n) Large infrastructural projects (for example dams, roads, and water.

BIHL Trust is committed to supporting development initiatives that are directed towards the alleviation of poverty, reduction of suffering as well as the development of communities in Botswana. The focus is upon ensuring long-term, sustainable impact within all areas identified, and with a firm alignment towards ensuring these work towards achieving such goals as the factors outlined in Vision 2016 of the Government of Botswana. BIHL Trust's areas of interest are:

- a) Poverty alleviation
- b) Economic empowerment projects
- c) Development of human resources through education and training
- d) Social welfare services, including youth development
- e) Public health
- f) Public recreation including sports
- g) Rural development
- h) Conservation of the environment

Only organisations that work within these areas are invited to apply for funding at any given time.

Funding applications are considered by BIHL Trust's Trustees.

Once an organisation is approved for funding, they may be required to complete a monitoring and evaluation indicator table before payment is made. This forms an integral part of the project reporting. All information requested as part of an application for funding has been shared in the pages that follow.

Name of organisation	
Date of establishment	
Physical address	
District	
Postal address	
Office Telephone number	
Full name of person submitting application and telephone number	
Alternative telephone number	
Fax number	
E-mail address	
Full name of alternative contact person	
Alternative email address	
Organisation website	

- In which focus area of the BIHL Trust strategy does your organisation operate?
- Within the focus area(s) indicated above, which specific activities does your organisation implement?
- In which part of Botswana does your organisation operate?
- In no more than 200 words, please provide a brief overview of your organisation, including:

Your mission

Your vision

Your primary objectives

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52 PROJECT ASSESSMENT AND APPLICATION PROCESSES

e) In no more than 200 words, please provide a brief overview of your organisation's financial sustainability plan, including fundraising targets.

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f) Please complete a SWOT (strengths, weakness, opportunities, threats) analysis of your organisation.

SECTION 3 - YOUR ORGANISATION'S TEAM

1. Please provide the names and details of your Trustees or Directors as well as their roles (for example Chairman) and demographics.

Full name	Role	Gender	Occupation (outside of organisation)

2. Please provide the names and details of the management of your organisation, together with their occupation (for example CEO) and demographics

Full name	Job title	Gender

3. Please provide the number of staff members employed by your organisation

54

PROJECT ASSESSMENT AND
APPLICATION PROCESSES

SECTION 4 - YOUR ORGANISATION'S TEAM

a. For this section, in no more than 1000 words provide information covering the following;

1. Name of project
2. Primary objective(s) of the project
3. Brief description of the project
4. Date project started/to be started
5. Expected duration of the project
6. Primary project objectives
7. Project impact/expected project impact
8. Number of primary beneficiaries, secondary beneficiaries and other beneficiaries.
9. Sustainability of the project
10. Impact of the project (will it be wide felt or limited to a certain area?)
11. Commitment to the success of the project
12. Total budget for the project with all budget items fully justified
13. Project budget shortfall
14. Funding amount requested
15. What will the funding be used for specifically
16. Monitoring and evaluation of the project

b. In addition to the above and in not more than 500 words, please answer the following:

1. Please describe your organisation’s sustainability strategy to ensure that this project continues after the Trust’s grant has expired?
2. Please describe if and how a needs assessment was done in order to determine the need for this project.
3. How will you collect data and monitor the progress of this project? (For example, what types of data will you collect? How will you collect the data? How frequently will you collect reports/data?)
4. Please provide an example of how you have used (or will use) reports or data collected through monitoring to evaluate the success of this project and make strategic decisions?
5. In which area or areas of Botswana will you implement this project and why?
6. Please list any other donors that have been approached and/or have granted funding to your organisation for this project.

Name of donor	Amount requested	Pending or Approved

SECTION 5 - YOUR ORGANISATION’S OTHER PROJECTS

1. Please provide a brief description, no more than 200 words, of the three primary projects that your organisation implements other than the project for which you are requesting funding.

Name of Project #1	
Brief description (no more than 200 words)	
Number of beneficiaries	
Total project budget	

Name of Project #2	
Brief description (no more than 200 words)	
Number of beneficiaries	
Total project budget	

Name of Project #3	
Brief description (no more than 200 words)	
Number of beneficiaries	

56

PROJECT ASSESSMENT AND
APPLICATION PROCESSES

SECTION 6 - YOUR ORGANISATION'S PARTNERS

1. Please provide the names of any local, national and/or international affiliations/forums to which your organisation belongs.
2. If you are an umbrella body, please list the organisations that are affiliated to your organisation.
3. Please list any government departments or district councils that you partner with and the nature of the relationship you have with them.

Government department	District Council	Nature of relationship

4. Please provide a list of your top five current donors and the amount contributed for the current financial year.

Name of donor	Amount of funding received	Activity/Project Funded

SECTION 7 - ATTACHMENTS

All applicants need to attach the following documents. Please note that incomplete applications will not be accepted.

Document	Attached?	Reason if not attached
Registration documents/certificates		
Signed copy of your constitution		
Latest annual report		
Latest set of unabridged, signed audited financial statements		
If your organisation has an associated Trust or any other body that contributes to the finances of the organisation, please submit the audited financial statements of this body		
Organisational budget for current financial year and next financial year		
A detailed budget for the project for which you are requesting funding. Please ensure that the budget period is included and add explanatory notes		
Any internal or external evaluations of the impact of the work of the organisation		
If applicable, plans or diagrams that would assist in the evaluation of your request(for example, if your request is for a building project, you must submit the relevant drawings and plans to support the proposal)		
If applicable, quotations for materials, training, equipment, etc that you are requesting funding for in this proposal.		

Please note that if your organisation is approved for funding, you will be required to provide to the BIHL Trust a monitoring and evaluation table at agreed stages until the project is completed. The table will form an integral part of the project reporting.

1%

OF THE GROUP'S
POST-TAX PROFITS
IS ALLOCATED
TO ITS SOCIAL
RESPONSIBILITY
ACTIVITIES

BIHL Board has committed 1% of post-tax profit arising out of wholly owned Botswana subsidiaries, being Botswana Life Insurance Limited, Bifm and BIHL Insurance Company Limited to the BIHL Trust.

The Trust is committed to supporting development initiatives that are directed towards the alleviation of poverty, reduction of suffering as well as the development of communities in Botswana.

40 YEARS

THERE IS NO MEASURE ADEQUATE ENOUGH TO GAUGE THE JOY BROUGHT TO THE FACE OF A CHILD WHEN TIME, EFFORT AND MONEY HAVE BEEN INVESTED IN HELPING TO MAKE THEM FEEL MORE NURTURED, SUPPORTED AND CARED FOR. THESE ARE THE SMILES OF CHILDREN CARED FOR BY THE GAMODUBU CHILD CARE TRUST.

PLANET

WE BELIEVE THAT GOOD CORPORATE GOVERNANCE MUST PROVIDE A MEANINGFUL BALANCE BETWEEN FINANCIAL AND SOCIAL GOALS.



IT IS A BALANCING ACT THAT LAYS AT THE VERY HEART OF THE KIND AND DEGREE OF IMPACT THAT AN ORGANISATION CAN MAKE.

AS WE MARK 40 YEARS OF DOING BUSINESS IN BOTSWANA, WITH BATSWANA, FOR BATSWANA, WE ALSO CELEBRATE A 40-YEAR HERITAGE OF CELEBRATING COMMUNITIES. HOWEVER, IN THE GRANDER SCHEME OF THINGS, WE ARE AWARE THAT 40 YEARS IS JUST THE BEGINNING. WE LOOK FORWARD TO DECADES MORE TO CONTINUE TO EFFECT SUSTAINABLE IMPACT.



Poverty alleviation;
Economic Empowerment projects;
Social welfare services including youth development;
Public recreation including sports;
Rural development; and
Development of human resources through training and education

THE BIHL TRUST'S AREAS OF INTEREST ARE:

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BIHL Group through the BIHL Trust officially handed over a library at Kuke Primary School situated 110km's north of Ghanzi. The 6th school to be adopted by the BIHL Trust, was officially handed over in the presence of Honourable Minister Johnny Swartz.

ABOUT BIHL TRUST

THE BIHL TRUST WAS ESTABLISHED IN 2007 TO CONSOLIDATE THE EFFORTS MADE BY THE GROUP'S SUBSIDIARIES IN GIVING BACK TO THE COMMUNITIES IN WHICH THEY OPERATE.

P12MIL

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AT THE TIME OF PUBLISHING OF THIS DOCUMENT, BIHL TRUST HAD DONATED OVER P12 MILLION TO A RANGE OF PROJECTS.

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There is still an allocation for smaller projects. Most of these are as a result of the involvement of BIHL staff members, enabling them to make a direct contribution to worthy projects in their own communities. In the past, these projects have included providing housing for indigent families.

It was agreed that more could be achieved through consolidation as well as by formalising the process through the contribution of 1% of each subsidiaries' after-tax profits to the Trust. This would be allocated to various causes. At the time of publishing of this document, BIHL Trust had donated over P12 million to a range of projects.

A Deed of Trust serves as a guide to the Trustees in carrying out their mandate. The overarching objective of the Trust is to pioneer and support development initiatives across Botswana for Batswana in a way that is sustainable in the long-term.

Areas of focus for the Trust have included poverty alleviation, economic empowerment projects; development of human resources through education and training; social welfare services, including youth development; public health; public recreation including sports; rural development and conservation of the environment.

Over the years, the BIHL Trust has made a tangible difference to the lives of hundreds of individuals around the

country, including many in remote, rural areas. However, after a thorough review of the Trust's activities, it was felt that the results of the Trust's interventions could be significantly enhanced by focusing attention on fewer, more targeted areas and projects. These would have to have the potential to make an effective long-term, sustainable contribution to creating a better tomorrow for communities, as well as for the country as a whole.

After examining the various projects which the Trust had supported over the years, it was decided to focus on the following areas seen in the following pages.

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BIHL is supporting the Khama Rhino Sanctuary with a vitally important aspect of its rhino breeding programme. The programme involves the tagging of the rhino in the sanctuary in order to monitor their movements and keep track of their family trees.



INVESTING IN OUR ENVIRONMENT

SINCE ITS INCEPTION, BIHL TRUST HAS BEEN ACUTELY AWARE OF ITS DEFICIENCY IN SUPPORTING ENVIRONMENTAL PROJECTS, DESPITE THE FACT THAT THE ENVIRONMENT HAS ALWAYS STOOD ALONGSIDE EDUCATION AND POVERTY ALLEVIATION AS ONE OF THE TRUST'S PILLARS.

This has now changed and BIHL is supporting the Khama Rhino Sanctuary Trust with a vitally important aspect of its rhino breeding programme. The programme involves the tagging of the rhino in the sanctuary in order to monitor their movements and keep track of their family trees.

BIHL plans to use the involvement in the rhino project to promote general environmental awareness and understanding throughout the country.

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Concern around the increased poaching of rhino across Africa continues to grow, and Botswana has since become regarded as a safe haven for the species. The efforts of Khama Rhino Sanctuary Trust have therefore become more important than ever before.





In 2014, Abian Ntshabele, then 14 years old, won the hearts of Batswana in her plea for help to raise funds to treat a rare teratoma. BIHL Trust donated P100,000 to help alleviate the financial burden on the Ntshabele family.

AD HOC PROJECTS

WHILE MUCH OF BIHL TRUST'S BUDGET IS DIRECTED AT MAJOR PROJECTS SUCH AS THOSE OUTLINED ALREADY, THERE IS STILL AN ALLOCATION FOR SMALLER PROJECTS.

Most of these are as a result of the involvement of BIHL staff members, enabling them to make a direct contribution to worthy projects in their own communities. In the past, these projects have included providing housing for indigent families.

An example of this type of ad hoc project was the BIHL Trust being approached to assist a former BIHL employee who had lost her sight. BIHL built her a house where she can live with her children. It also investigated how best to empower her with skills that will enable her to regain some of her independence - and even, possibly, employment.

ESTABLISHED IN 2005

GAMODUBU CHILD CARE TRUST

THE GAMODUBU CHILD CARE TRUST WAS ONE OF THE VERY FIRST ORGANISATIONS SUPPORTED BY THE BIHL TRUST. THE GAMODUBU CHILD CARE TRUST WAS ESTABLISHED IN 2005 WITH THE AIM OF CURBING SOCIAL ILLS AMONG YOUNG PEOPLE IN THE GAMODUBU DISTRICT THROUGH PROGRAMMES THAT ADDRESS THE IMPACT OF HIV/AIDS, YOUTH DELINQUENCY, TEENAGE PREGNANCY AND YOUTH DEVELOPMENT.

BIHL Trust's initial involvement was the sponsorship of the costs of constructing a shelter in which to manufacture bricks – a project that would provide employment and skills, while bringing in much needed income to support the Trust's other projects. However, BIHL was so impressed with the work being undertaken by the Gamodubu Child Care Trust that we have become increasingly involved in other activities.

A P1.2 million donation from BIHL resulted in the brick-making shelter being transformed into a multi-purpose hall and community centre which can be utilised for a wide number of projects.

These range from skills development to counselling and a feeding scheme.

As an extension to the programmes offered at the community centre, BIHL Trust has arranged for youth from Gamodubu to receive six months experiential training at Falcon Crest Suites, a five-star, luxury boutique guest house in Gaborone.

Once they have completed their training, they will be able to utilise the skills learned in the hospitality industry to expand activities at the community centre.

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We believe in long term, strategic involvement in projects that will help us deliver and see the tangible difference made as a result of our investment.



THE IMPORTANCE OF CORPORATE SOCIAL RESPONSIBILITY

Joy, comfort and love are qualities and emotions we strive to bring to the youth of Botswana through the work done by the BIHL Trust. These are, we believe, paramount to ensuring we make a positive impact in our communities.



There is a strong focus on responsible corporate citizenship in the King III Report on Corporate Governance to which the BIHL Group subscribes. Corporate citizenship means many different things to different people, but is generally accepted as including – among others – issues related to transformation, human rights, human capital, social capital, safety and health, and the environment.

King III also takes account of how a company has both positively and negatively affects the economic life of the community in which it operates and how the company intends to enhance those positive aspects and eradicate or ameliorate the negative aspects going forward. This is what is often referred to as “Corporate Social Responsibility.”

Corporate Social Responsibility (CSR) goes by many names: community development; corporate citizenship; corporate philanthropy; corporate giving; corporate community involvement; corporate social investment; community relations; community affairs; corporate responsibility; global citizenship; and corporate societal marketing.

SINCE 2007, BIHL HAS BEEN ALLOCATING 1% OF THE GROUP'S POST-TAX PROFITS TO ITS SOCIAL RESPONSIBILITY ACTIVITIES. IN ADDITION TO THIS, EACH OF THE BIHL GROUP SUBSIDIARIES DRIVES THEIR OWN PHILANTHROPIC PROJECTS AS WELL, THUS ENSURING THAT A FOCUS ON UPLIFTMENT OF BATSWANA IS A PART OF THE VERY FABRIC OF HOW WE DO BUSINESS.





BUILDING SUSTAINABLE BUSINESSES CANNOT AND DOES NOT HAPPEN IN A VACUUM. IT REQUIRES STRONG ECONOMIES, VIBRANT MARKETS AND HEALTHY COMMUNITIES.”

In its publication “Making Good Business Sense” by Lord Holme and Richard Watts, the World Business Council for Sustainable Development defined CSR as “the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.” Business for Social Responsibility, a global nonprofit business network and consultancy dedicated to sustainability, defines CSR as “operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business.” The European Commission, on the other hand, says CSR is “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.”

BIHL’s belief is that it makes no difference what this social commitment is called or how it is defined. What is important is the way in which it manages to strike a balance between economic, social and environmental imperatives on the one hand

and the expectations and welfare of the shareholders on the other. In other words, BIHL believes the focus of CSR should be on how a portion of corporate profit should best be diverted to socially responsible activities for the benefit of the society.

Why should businesses bother about CSR? Why do reports like King III, which are largely concerned about the sustainability of a business for the benefit of its stakeholders, put so much emphasis on the concomitant sustainability of those not directly involved with the organisation? The rationale for CSR has been articulated in a number of ways.

In essence it is about the fact that building sustainable businesses cannot and does not happen in a vacuum. It requires strong economies, vibrant markets and healthy communities. CSR is about how companies manage the business processes to produce an overall positive impact on society.

The burning question is how this positive impact should be achieved. There are many different approaches to CSR around the world. In the United States, for example, CSR traditionally has

been defined much more in terms of a philanthropic model. Companies make profits, unhindered except by fulfilling their duty to pay taxes. Then they donate a certain share of the profits to charitable causes. The company does not receive, nor does it want to receive, any benefit from the giving.

On the other hand, the European model is much more focused on operating the core business in a socially responsible way, complemented by investment in communities for solid business case reasons. For other societies, such as the Philippines, CSR is seen as a way for the business to “give back” to society; which in Ghana, it is regarded as a opportunity for the business to build the skills of its own employees, as well as of the community and government.¹

One step further beyond CSR is Corporate Social Initiatives (CSI). This, a practice to which BIHL subscribes firmly to, sees going above and beyond the bare minimum of what is required of us. It sees making a consolidated and proactive effort to effect great impact in a sustainable manner.



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The building of the Gamodubu Child Care Trust Multipurpose Hall is amongst one of the biggest projects undertaken by BIHL Trust. Today, the development continues to serve its purpose as a space for engagement for the organisation's activities, as well as providing income through hire.

BIHL'S BELIEF IS THAT CSI CAN ONLY BE SUSTAINABLE IF:

1. Social responsibility becomes an integral part of the wealth creation process - which if managed properly should enhance the competitiveness of business and maximise the value of wealth creation to society.
2. If, even in a tough economic environment, there is the incentive to pursue CSI activities. If CSI is seen as a purely philanthropic exercise that is peripheral to the main business, there will always be a temptation – and potentially pressure from a variety of stakeholders – to shelve such activities.

But as with any process based on the collective activities of communities of human beings (as companies are) there is no 'one size fits all' – and certainly no

one size fits all all the time. Priorities change, as do circumstances – and these changes affect the way in which CSI is approached.

So, for example, BIHL's CSI approach has evolved over the years with a move away from largely ad hoc projects and support of small community projects, to focusing on larger, longer-term undertakings that are likely to have a more sustainable impact on the community and the country as a whole.

The execution of a CSI strategy requires planning including an assessment of the social environment, formulation of objectives, development of operational plans and programmes, monitoring social progress, assessment of social and economic impact and evaluation of outcomes and performances. These activities are undertaken by the BIHL Trust in order to ensure that the Group's investment in CSI remains focused and achieves its objectives.



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Batho Bolokang Bakgatla borehole drilling.

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¹ <http://www.mallenbaker.net/csr/definition.php>



BIFM REGULARLY MAKES AN EFFORT TO PLAY A ROLE IN HELPING TO BRING SMILES TO CHILDREN WHO ARE LESS FORTUNATE. ”

KEY CSI PROJECTS UNDERTAKEN IN 2014

A DAY AT THE LION PARK FOR KIDS FROM HOLY

The Bifm team treated 27 children to a day out at the Lion Park in December 2014. The kids, cared for at the Holy Cross Hospice's Day Care Centre in Village, enjoyed a fun day out in the run up towards Christmas. They enjoyed an afternoon of fun in the pools and supervised enjoyment of the various rides at the Lion Park Resort, all while under the care of the Bifm staff that had volunteered to watch over them for the day. Bifm regularly makes an effort to play a role in helping to bring smiles to children who are less fortunate. This proved to be yet another initiative to engage, empower and show love towards Botswana's children.





LADY KHAMA CHARITABLE TRUST GHANZI HORSE ENDURANCE RELAY

Botswana Life donated P50,000 towards the Lady Khama Charitable Trust Ghanzi Horse Endurance Relay in August 2014. This took place as part of the annual family fun day, with a focus showing support towards disadvantaged communities. On hand to give away the cheque was Botswana Life CEO, Catherine Lesetedi-Letegele, accompanied by members of the Botswana Life Gaborone North Sales Team.

The Lady Khama Charitable Trust provides needed assistance to charitable organisations including SOS Village, Botswana Red Cross Society, Bana ba Metsi and ChildLine Botswana. The Trust is a fitting beneficiary of Botswana Life's CSI programme by virtue of its strong record of aiding organisations that uplift women and children.

Through this donation, Botswana Life is able to support a wide range of charities and make a difference in the lives of the less privileged.

.....
Mr Dale Tahaar of Lady Khama Charitable Trust receiving a donation for the Trust.

.....
Keeping a close eye on the ball is a participant of the ZimBots golf challenge.



SWINGING FOR CHARITY: ZIMBOTS GOLF CHALLENGE

Botswana Life sponsored the 2014 edition of the ZimBots Golf Challenge, a fundraising activity by the ZimBots Society. All proceeds from the event went to the Sponsor-A-Child Trust Fund, with over fifty golfers having converged for the worthy cause.

Botswana Life partnered with ZimBots to ensure that they held a successful golf day that, in turn, would see an increase in donations from the participants. In 2013, the golf day managed to raise P270,581.00. This number was surpassed in 2014 by P29 654.00, bringing the total donation to an incredible P300,235.00.

The cheque was handed over to His Excellency Lt. Gen. Seretse Khama Ian Khama as Patron of the Sponsor -A- Child Trust Fund at the golf day prize giving, held in Phakalane.

72 KEY CSI PROJECTS UNDERTAKEN IN 2014

EMPOWERING WOMEN IN NEW XADE: THE SEWING PROJECT

In 2014, BIHL Trust increased its support for the women of New Xade. This was an extension of a project that began during the course of 2012, and aimed to further build upon the foundation of work previously begun.

Previously, BIHL Trust identified and donated sewing equipment to the value of P386,000 to a group of women through the Ghanzi Council. In an effort to ensure the long-term sustainability and viability of the project, BIHL Trust embarked on a trip with the primary objective of assessing the status of the project. This also allowed for an exploration of ways to ensure that the project would achieve the desired results.

The Trust's work with the women of New Xade aims to empower a group of ladies through provision of sewing equipment, encouraging and facilitating the use of the equipment to promote entrepreneurship in the area. The ladies were identified as ideal beneficiaries because of their interest in and passion for sewing. An opportunity



The project continues to serve as a testament to how community development efforts, no matter their scale, can be managed and driven in a sustainable manner to ensure long-term self-sustainability.

existed to support them in what began as a small-scale practice, or indeed passion, and grow this to become a veritable, self-sustaining enterprise.

The New Xade sewing group consists of 6 women who have received training and are the sole suppliers of uniform distributors in the New Xade area. Although they are limited to sewing girls' uniforms - pinafore dress, skirt and unisex shirts - the group wishes to diversify into sewing traditional leteisi outfits and boys' trousers, bridesmaid and grooms outfits, empowering themselves towards change.

NEW XADE'S BREAD - MAKERS AND BREADWINNERS: THE BAKERY PROJECT

In yet another effort to build upon efforts already begun is the support for the New Xade bakery project. Reaffirming its commitment to empowering the team behind the project in 2014, the initiative saw the reprise of a relationship established in 2012. BIHL Trust had, at that time, donated bakery equipment and facilitated a one-day training course in Ghanzi. The recipients received training on operating the equipment as well as making bread.

Housed in the same complex as the sewing group ladies, the bakery project group consists of four women and one gentleman who are all under 40 years of age. In 2014, the project continued to strengthen. Having firmly grown their initial offering, supplying New Xade Primary School with bread once a week, the wish of the group was to receive more training in making an assortment of breads. This would allow them to provide a variety of baked goods to the local community, thus growing their scale of enterprise. With the expansion of their skill base, they hoped to be able to cater for weddings, funerals, conferences and other occasions.

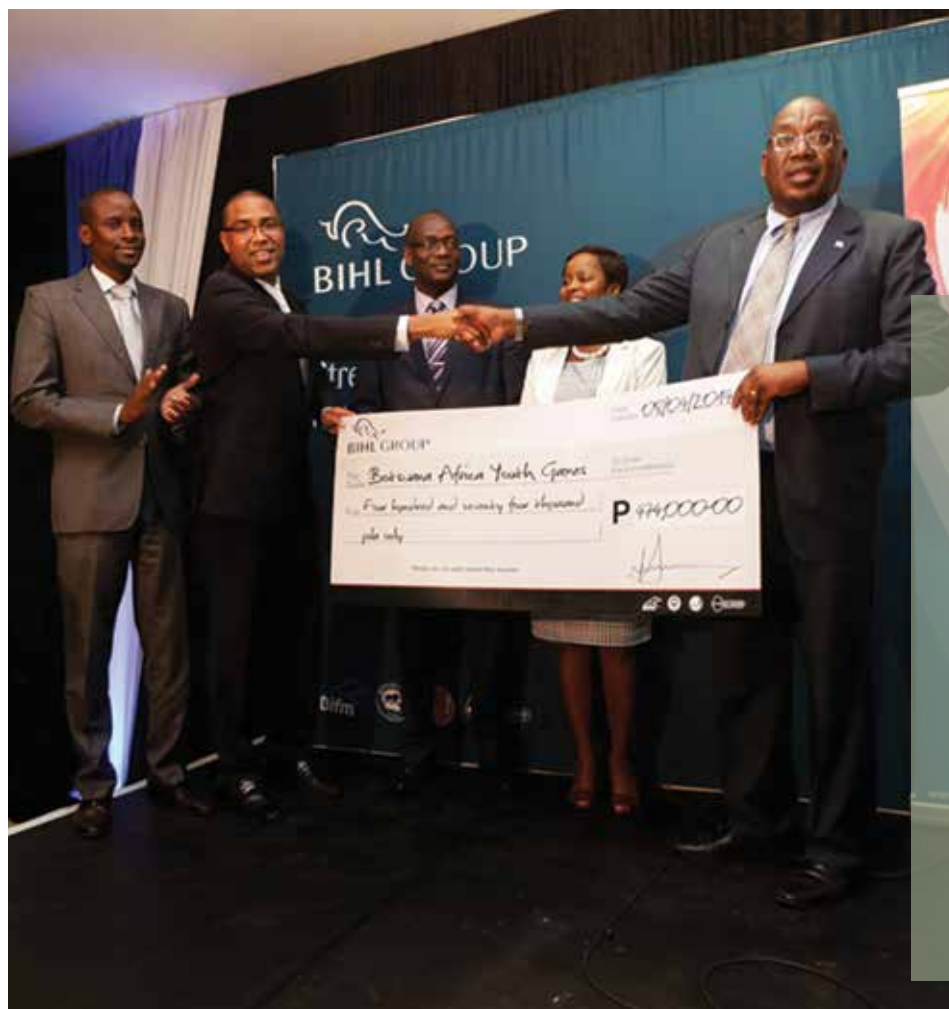


The New Xade project is a prime example of the potential for long term impact. And ambition brining brought to life.



THE GROUP CELEBRATED AN INCREDIBLE COLLABORATION AS WELL AS A CELEBRATION OF YET ANOTHER WAY TO PLAY A MORE HANDS ON ROLE IN THE COMMUNITY ”

The 2nd African Youth Games, dubbed 'Gaborone 2014,' took place from the 22nd to the 31st of May 2014. Up to 2,500 youths aged between 14 and 18 from 54 African countries participated in the Games across 16 venues and in 21 sporting codes.



EMPOWERMENT THROUGH SPORT: 2014 AFRICAN YOUTH GAMES

BIHL emerged as one of the key sponsors for the 2014 African Youth Games, with a sponsorship handover valued at P500,000. The Group and each of its three subsidiaries contributed a combination of cash and in kind to what was Botswana's biggest sporting event. The Acting Minister of Youth, Sports and Culture, Honourable Vincent Seretse, accepted the handover from BIHL Group CEO, Mr. Gaffar Hassam.

BIHL Group continues to dedicate itself to philanthropic initiatives. Through this initiative, the Group celebrated an incredible collaboration as well as a celebration of yet another way to play a more hands on role in the community, inviting all Batswana to show off our collective strength in numbers.

The Group's involvement saw sponsorship as follows:

- Group personal accident for persons whilst actually engaged in the activities of Youth Games, including 2,000 volunteers, 1,500 managers/coaches, as well as medical expenses
- Public Liability cover
- Business all risks cover based on the theft of equipment
- Accidental death cover for the participants of All Africa Youth Games during the period of the competition
- A P110,000 cash amount to be directed by the organisers of the Africa Youth Games as required

EMPOWERMENT THROUGH EDUCATION: THE THOMAS TLOU SCHOLARSHIP PROGRAMME



Following a rigorous assessment of submissions made as part of the nationwide call for applications by BIHL Trust, BIHL Thomas Tlou Scholarship programme recipients for 2014, Ms. Liah Machara and Mr. Obakeng Kheru, were selected. Upon being selected, Liah was to begin studying for a Masters in Archives and Record Management General at the University of Botswana, whilst the BIHL Trust took over the financing of Obakeng’s Masters in Adult Education. The BIHL Thomas Tlou Scholarship programme serves as a means towards empowering talented young Batswana with

A record 150 applications were received and assessed during the year through a stringent selection committee. The standards for selection are noted to have been incredibly high. As at end 2014, a total of 6 students have benefited from the programme, studying their Masters through the Thomas Tlou Scholarship programme.

the ability to pursue postgraduate studies. The programme has, since its inception, welcomed all citizens of Botswana who wish to pursue a Masters programme in any discipline at Universities in Botswana to apply for the scholarship. Amongst some of the key qualities to be found in the selected include exhibiting and living true to such values as leadership, proven community work involvement, entrepreneurship and a belief in the inherent power of education. Weighted against the selection criteria, Machara and Kheru emerged the most suitable candidates.

GABORONE TO CAPE TOWN: DALE COLLETT’S CHARITY RIDE

Botswana Life Insurance partnered with Mr. Dale Collett in his Gaborone to Cape Town Charity Ride. The charitable ride worked towards raising funds for the Ray of Hope Foundation for terminally ill children.

The business was inspired by Mr. Collett’s courage and selflessness, himself having been in a wheelchair for 38 years. Despite his disability, Mr. Collett still “drives forward with determination never relenting in his quest to make yet another dream come true.”

Botswana Life donated P25,000.00 towards the ride, and facilitated a hand-over ceremony of the funds to Ray of Hope Foundation. This was yet another effort which drew the attention and hearts of those at Botswana Life, a prime example of the innovative and relevant ways philanthropy can be managed with mileage and impact.



The Ray of Hope Foundation aims to make dreams come true for children facing life-threatening illnesses in Botswana.



IT IS THE LIVING EMBODIMENT OF
THE GIVING SPIRIT INHERENT IN
ALL MEMBERS OF
THE BIHL GROUP
AND PERFECTLY
BROUGHT TO LIFE IN
BOTSWANA LIFE.”

COMPASSION FOR THOSE IN THE COMMUNITY

Botswana Life's Employee Involvement Programme, Lesedi, urges staff to give back to the community in their personal and work related interactions. It is the living embodiment of the giving spirit inherent in all members of the BIHL Group and perfectly brought to life in Botswana Life.

During 2014, the programme executed two highly successful initiatives. Firstly, staff raised funds for the Help Abbie fundraising initiative through donation of leave days and selling both baked good and cool drinks. It served as a small but meaningful gesture that looked towards selflessness and sacrifice to benefit another. Abbie Ntshabele captured the heart of the nation in her brave battle against cancer.

Fourteen-year-old Abbie was diagnosed with Metastatic Immature Teratoma, a rare form of ovarian cancer, and Batswana have come together to help raise the necessary funds for her medical care. Lesedi raised a collective P183,751.55 for the cause.

The second initiative was a food drive at all Botswana Life branches, where staff donated food items for charity. The collected food was donated to community-based organisations around the country where Botswana Life operates. The Gaborone branch saw it fit to donate to the Gamodubu Child Care Trust, a beneficiary of BIHL Trust from previous years. Ms. Shirley Madikwe, the Coordinator of the Centre, the Chief of Gamodubu, Kgosi Leboko Keletso, and a handful of volunteers at the Centre received the donations. Their gratitude to the employees of Botswana Life was heartfelt, with Ms. Madikwe noting that the amount of food we donated was enough to last the Centre up to two months.

Gamodubu Child Care Trust is a centre for orphaned and vulnerable children, addressing social issues ranging from HIV, delinquent kids, young mothers, youth development, and community outreach. The Centre offers an out of school programme that includes, but is not limited to, feeding and ensuring the children take their medication, also ensuring the children have access to regular check-ups.

Botswana Life supports Lesedi by granting all those who have volunteered two days of paid time off biannually for them to be able to execute any of the agreed activities. This is a strong indicator of an employer that is committed to encouraging employees to participate in the volunteer programme.



BANA BA METSI RECEIVES NEW LIBRARY, KITCHEN, AND DINING HALL



BIHL Trust continues to show support for Bana ba Metsi school, a relationship established in 2010. The Trust officially handed over a newly constructed library, kitchen and dining hall to the Head of the School, Mr. Sono, and members of the community.

The visit saw BIHL Trust representatives including Dr. N.H Fidzani, then Chairperson of the BIHL Trust, reaffirm support towards the school and check on the progress and developments made. In 2010, the Trust donated P250,000 towards the construction of a computer lab and a new kitchen and dining hall built by the Bana ba Metsi students and staff. The students were hands-on in the project as they assisted in the building of the structures while BIHL Trust provided the funds for all the materials needed. The school was also connected

to the national electricity grid at a cost for P70,000 making the school able to power various other functions besides the computer studies room and new kitchen alone.

The Trust has taken Bana Ba Metsi as one of its long-term projects to help them in their areas of need. Through this partnership, the students are further encouraged to empower themselves in proactively working to change their circumstances by learning as much as they can. The Trust embarked on the project with the aim of empowering the students to construct the buildings themselves as a way to help develop marketable skills.

A dedication towards sustainable education development lays at the heart and strategy of the Trust, and this is but one example of this dedication.

Bana ba Metsi is situated in a remote northwest corner of Botswana. The school admits kids who have problems that have interfered with their primary-level education, including anti-social activities like bullying, harassment and theft. In addition to academic skills the students are taught vocational skills such as bricklaying, carpentry, mechanics, agriculture, music and even information technology.



A DEDICATION TOWARDS SUSTAINABLE EDUCATION DEVELOPMENT LAYS AT THE HEART AND STRATEGY OF THE TRUST.”

UNWAVERING SUPPORT FOR KUKU PRIMARY

As part of the on going Adopt-A-School initiative to which BIHL Group has pledged its unwavering dedication, the Group, through the BIHL Trust, officially handed a library at Kuku Primary School. Kuku Primary School is the 6th school to be adopted by the BIHL Trust, with over P 600,000 spent to date. The new library was officially handed over in the presence of Honourable Minister Johnny Swartz, Minister of Infrastructure, Science and Technology and Kgosi Nxhlogae of Kuku Village. Also present was the Director of Regional Operations (Ghanzi) Mr. G. Mohube, a representative from Education Hub, Mr. Loeto, Head Teacher of Kuku Primary School, Mr Dinko; members of the BIHL Trust, representatives from the Kuku community.



Kuku Primary school is situated 110kms north of Ghanzi. The school reserved a room which was last year remodelled, repainted, equipped with shelves, books, furniture, and bean bags to make the place a comfortable reading experience for all pupils.

Pupils in the area are known to run away to live on farms to live a rural life. To counteract this, teamwork between parents and teachers in order to curb the dwindling number of pupils attending the school is vital. This can be seen, for example, in the falling pass rates of the school. The pass rate has spiraled from 27% in 2011, to 35.8% in 2012, only to come down to 24% in 2013. Pupils’ lack of interest in school as well as boarding pupils’ preference to stay at home with their parents and their parents condoning such behaviour, only pose further challenges.

The Trust’s hope that the new library will be a haven and a paradise for the children of Kuku driving stronger literacy, passion for education, and indeed improved academic performance as with evident in previous schools engaged.



78 KEY CSI PROJECTS UNDERTAKEN IN 2014



THE HOSPICE PROVIDES
PALLIATIVE CARE, LOVE AND
SUPPORT TO PEOPLE WHO ARE TERMINALLY
ILL, AS WELL AS THEIR FAMILIES.”

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Pabalelong Hospice has ten beds inpatient units and a team of nine members of staff, along with a visiting doctor. The Hospice, part of the wider network of Hospices in the region, works closely with Princess Marina Hospital for most effective care.

LENDING A HAND AT PABALELONG HOSPICE

Bifm made a handover of cleaning chemicals and consumables anticipated to last the Hospice well into the next year. In addition, a TV for one of the in-patient rooms was handed over by staff, ensuring that every inpatient room is now equipped with a TV set.

The Hospice does not have a standard charge for their services. Rather, the Hospice, request that families of the patients to assist the Hospice’s needs by way of basic supplies such as toiletries, cleaning, etc. Pabalelong Hospice was established in 2009, as part of the Catholic Church’s Institute of Charity in the Diocese of Gaborone. The Hospice provides palliative care, love and support to people who are terminally ill, as well as their families, with a firm dedication towards welcoming all irrespective of their particular faith or religion.





CHILDLINE EMPLOYEES RECEIVE FREE INSURANCE COVER

Botswana Life formed a key partnership with ChildLine Botswana, in which the business began providing free life cover and funeral cover to ChildLine staff and their dependents. The agreement would see cover extended for a period of three years coming into effect on August 1st, 2014.

The offering was presented to the ChildLine Board representatives, management and staff by Botswana Life Chief Executive Officer, Mrs. Catherine Lesetedi-Letlegele. She was accompanied by the Head of High Value Corporate Business, Mr. Joseph Kuaho.

The cover sees inclusion of such products as Group Life Assurance (GLA) with a disability benefit, and a Group Funeral Scheme (GFS), coming in at a combined value of P67,938.00 for the duration of the partnership. The Group Life Assurance covers ChildLine employees for death and disability, where in the event of death of a member while under the employ of ChildLine, Botswana Life will pay his/her nominated beneficiaries through ChildLine, two times the employee's annual salary. The same lump sum payment applies in the event of a disability that results in the employee not being able to continue with gainful employment.

The Group Funeral Scheme provides a cash sum towards funeral expenses for the employee and his/her nominated dependents. This product covers the ChildLine employee; his/her spouse, parents and parents-in-law, and up to six children under the age of 21.

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This is not the first initiative which shows support for ChildLine Botswana. The organisation has been supported across the group, including through the Boxes of Love initiative and as a beneficiary of the proceeds raised through the Lady Khama Charitable Trust Ghanzi Horse Endurance Relay sponsored by Botswana Life.

BOXES OF LOVE BRINGING SMILES TO KIDS ACROSS BOTSWANA

The month of December saw BIHL Trust once again champion the Boxes of Love initiative to bring smiles to the faces of children across Botswana. Staff of BIHL Group and Legal Guard banded together for what was the second consecutive year the initiative was held. Over 250 "Boxes of Love" were shared with 250 children at ChildLine Botswana and Botswana Association for Psychosocial Rehabilitation (BAPR) on 5th December 2014. The Boxes of Love campaign saw each staff member paired with a child from the various charitable organisations. Each business handpicked the children's organisation they wanted to work with, engaging these organisations to get a sense of the personalities and interests of the kids. Following this, a customised "Box of Love" was then curated, including toys and trinkets deemed perfect for the particular child, both gender and age appropriate.

A dedication towards initiatives for supporting and uplifting young children has always been an area of focus for BIHL Trust, and this year the effort was extended across the Group. The 69 members of staff across each of the businesses gifted 69 boxes, inclusive of gifts, of their own accord, with BIHL Trust sponsoring the remaining boxes and gifts. Staff from BIHL set aside time from regular working hours to spend time with the children and share the gifts as they spread a little more Christmas cheer, ending the festivities with celebratory lunches for all at each of the respective organisations.

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The campaign was first introduced by BIHL Group staff in 2013 and proved to be an immense success.



80 KEY CSI PROJECTS UNDERTAKEN IN 2014

ADOPT-A-SCHOOL EFFORTS COME FULL CIRCLE IN MOPIPI

Mopipi Primary School, in the heart of Mopipi Village, received a refurbished and resourced library courtesy of BIHL Trust on behalf of the subsidiaries of the BIHL Group. This marked the 8th local primary school to benefit from BIHL Group and the BIHL Trust's involvement in the Adopt-A-School initiative.

The handover was made at the school by Major General Bakwena Oistile, Chairperson of the BIHL Trust, and received by the Member of Parliament for Boteti, Honourable Slumber Tsogwane. Also present were Kgosi Patelelo, members of the Ministry of Education & Skills Development and representatives of Education Hub. Also present were representatives from the Trust's partner in the project, Sebilo Books, and members of Mopipi Primary School and the local community.

One of the initial objectives that drove the start of BIHL's involvement in the programme was the desire to contribute to wards what was felt to be a failing in terms of Standard 7 pass rates. Making a concerted effort to support children with the necessary resources, we believe, will help them achieve greater successes when it came to the completion of their primary school tenures.

The project, along with the other 7 schools supported, means the Trust has developed libraries to the value of over P600,000 in total. More significantly, this represents something much more valuable: an investment into the opportunity for knowledge, greatness and empowerment amongst the young minds of Botswana.



THE TRUST HAS
DEVELOPED
LIBRARIES TO
THE VALUE OF
OVER P600,000
IN TOTAL."



The refurbished library saw existing facilities remodelled, repainted, and equipped with shelves, books, furniture, and bean-bags. This was in an effort to make the place a comfortable reading experience for all pupils and a haven for those who had a thirst for learning and knowledge.





REAFFIRMED DEDICATION TOWARDS ORPHANS AND VULNERABLE CHILDREN

BIHL Trust reaffirmed its resolute dedication towards empowering young Botswana through education. BIHL Trust Chairperson, Major General Bakwena Oitsile and BIHL Group CEO, Mr. Gaffar Hassam, visited Maru-a-Pula (MaP) Secondary School to hand over a cheque to further support the Orphan and Vulnerable Children's (OVC) Programme at the school.

In keeping with the level of importance that the BIHL Trust places in education, a decision was made in 2009 to contribute P200,000.00 annually to the OVC Fund. The 2014 handover, the fifth of its kind since 2010, sees a cumulative investment of up to P1 million towards the Programme.

The project aims to ensure that the deserving students of Botswana are given the

opportunity to immerse themselves in an environment that provides academic, physical and emotional enrichment as well as an excellent education regardless of economic status. This aims to work towards uplifting Botswana to become an educated and informed as well as a Compassionate, Just and Caring nation in line with the Vision 2016 Pillars.

The OVC Programme awards scholarships to orphaned children to enable them to attend the renowned private school to ensure that lack of access to quality education does not prove a hindrance to disadvantaged children. The scholarship covers tuition, boarding, all meals, clothing, medical expenses, stationery and other living expenses. In addition each student is assigned to a mentor who offers the support akin to that of a parent.

Students who have benefited from the Programme have gone on to fly the Botswana flag high at such prestigious international institutions as Princeton University, Stanford University and Massachusetts Institute of Technology (MIT) in the USA respectively.

82 KEY CSI PROJECTS UNDERTAKEN IN 2014

LITERACY TRAINING PROJECT FOR TEACHERS NATIONWIDE

Following the Public-Private Partnership (PPP) launched between the Ministry of Education and Skills Development (MoESD), BIHL Trust and Stepping Stones International, the trio launched the Literacy Training project. The project, which launched in August 2014, sought to improve English literacy rates in schools across Botswana.

A total of 77 teachers were trained as part of the project, held over the course of two months. The first nine-day “Breakthrough Literacy” training included 36 teachers, reception through Standard 3, while 41 Standard 4 through 7 teachers attended the second eight-day session. The project comes on the back of a total of 8 schools adopted by BIHL through the BIHL Trust and the Adopt-A-School initiative championed by the MoESD. It works to empower and equip local teachers with the skills and resources to foster greater English literacy levels amongst young students. Schools that benefitted from the programme included: Chakaloba (Topisi), Mafetsakgang (Bobonong), Seinane (Kweneng), Bana ba Metsi (Shakawe), Kuke (Gantsi) and Mmathabakwe (Mopipi).

Educators stepped out of their comfort zones as they collaborated with teachers from various schools to plan lessons and practice both text and word study routines. During clinical application of the acquired skills, teachers received direct, specific, and immediate feedback from the trainers, as well as 2 colleagues.

Practical implementation by Stepping Stones International has shown a demonstrable improvement in academic performance following the implementation of key literacy interventions, Early Steps SM and Next Steps SM in partnership with the University of Utah Reading Clinic. Past interventions have seen youth advance a full standard reading level in just over four months. During the sessions, trainers extensively and repeatedly modelled explicit teaching practices, management tools, and organisational skills that could be emulated within the classroom setting.



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The Literacy Training project saw the completion of its pilot phase and was following by monitoring the sustainable positive impact on literacy rates of youth at schools engaged. The schools were supported further through on going observation visits, feedback and coaching to the teachers to ensure the interventions and curriculum were implemented with fidelity.



THE TEAM WANTED TO DO SOMETHING THAT WOULD AT ONCE ENCOURAGE A HEALTH DOSE OF COMPETITION AND AMONGST THEMSELVES AND BRING OUT THEIR FUN AND CREATIVE SIDES.”

BIHL BRAAI MASTER FEEDS 198 FROM ADOPT-A-PERSON

10 members of BIHL Group staff took to the grills to participate in the BIHL Braai Master cook off, a team-building-exercise-come-CSI-activity with a twist. Before a panel of 3 judges, the group staged its very own reality-style cook-off to feed 198 children from the Adopt-A-Person (AAP) Orphanage Centre.

Born out of an idea to get staff into a much more fun and engaging spirit nearing the end of the year, the team wanted to do something that would at once encourage a health dose of competition and amongst themselves and bring out their fun and creative sides. At the same time, they wanted to live true to the inherent philanthropic mandate within the business: to help others in a hands-on way.

With the support of such sponsors as Sefalana Holdings and Mini Mart & Deli, the BIHL Braai Master saw an array of ingredients provided to 3 teams within the staff complement. The teams battled it out across 3 stages: the breakfast, the braai and the potjie. Teams had to create a dish using ingredients provided and cooked on coals or an open flame within the space of an hour, for both the breakfast and braai stages.

A panel of judges, comprising of Chef Rico Carlinsky and Chef McJon Mosenene from Botswana Chefs Association, along with Mini Mart & Deli Managing Director, Yavor Sabev, critiqued each dish created, with each team scoring points within the various rounds. The final round, the development of the potjie, fed the 198 children present on the day through the Adopt-A-Person initiative.

Following a morning of play with educational activities and outdoor games the children enjoyed a festive lunch against the background of the cooling rain. Additional foodstuffs, including raw ingredients, were then donated towards the organisation courtesy of BIHL Group.

Adopt-A-Person is a non-profit voluntary organisation that was established in 2002. Having begun with only 57 volunteers, the organisation has since grown and today boasts nearly 900 volunteers, the majority of whom have undergone vigorous training in counseling.



PROFIT



PROFIT IS ABOUT THE BUSINESS OF THE BUSINESS, ITS FINANCIAL AND OPERATIONAL SUSTAINABILITY.

WE RECOGNISE THAT, BY CONDUCTING THE GROUP'S AFFAIRS WITH INTEGRITY AND FOLLOWING SOUND CORPORATE GOVERNANCE PRACTICES, WE WILL ENSURE THE LONG-TERM SUSTAINABILITY OF THE BUSINESS."

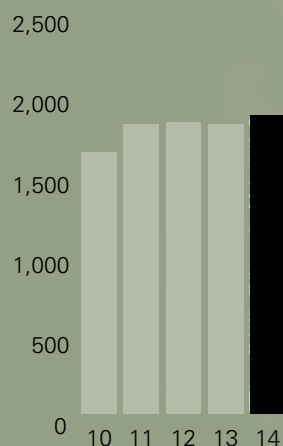
	31-Dec-14 P'000	31-Dec-13 P'000	% Change
GROUP SUMMARY			
Premium income (net of reinsurance)	1,987	1,878	6%
Value of new business	148	110	35%
Operating profit	287	277	4%
Total profit	520	495	5%
Assets under management	28,900	27,100	7%
Ordinary shareholders' equity	2,686	2,405	12%
Total assets	14,855	14,068	6%
Embedded value	3,824	3,260	17%
Productivity			
Operating expenses to premium income and asset management fees	15%	14%	
Selling expenses to premium income	13%	11%	
Shareholder investment returns to average shareholder equity	1%	1%	
Return on embedded value	24%	24%	
Solvency and liquidity			
Capital adequacy cover (times) - Life business	11.29	9.25	
Dividend cover on core earnings** (times)	1.48	3.15	
Ordinary share performance			
Basic earnings thebe per share	183	183	0%
Diluted earnings thebe per share	181	181	0%
Dividend thebe per share - interim	42	15	180%
- final proposed	45	35	29%
Embedded value thebe per share	1,400	1,194	17%
Trading prices (thebe per share)			
closing price	1,151	1055	9%
high	1,151	1065	8%
low	1,054	1023	3%
Price earnings ratio	6.29	5.78	9%
Domestic Companies Index (DCI)	9,501.60	9,053.36	5%
Number of shares in issue ('000)	281,071	281,071	0%
Number of shares traded ('000)	19,604	23,329	(16%)
Market capitalisation (P million)	3,235	2,965	9%
Number of shareowners	2,873	2,922	(2%)
Earnings yield (%)	16.60	17.49	(5%)
Dividend yield (%)	7.91	4.55	74%

GROUP FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 DECEMBER 2014

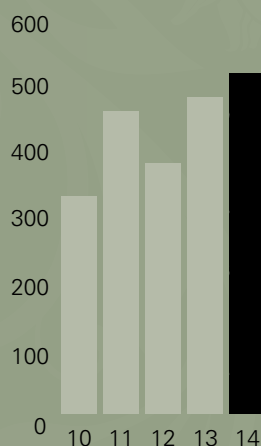
PREMIUM INCOME

Pula million



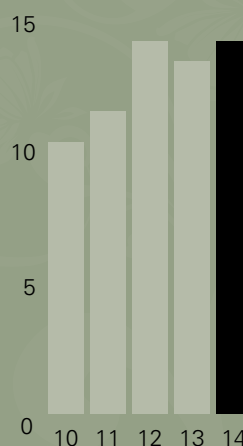
PROFIT AFTER TAX

Pula million



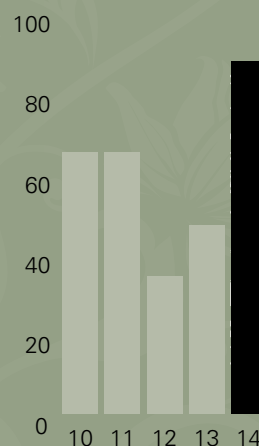
INVESTMENTS

Pula billion



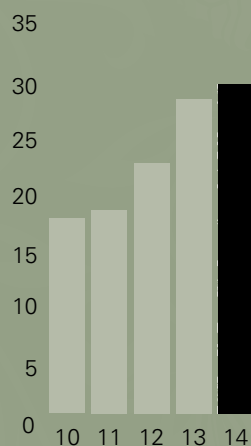
DIVIDENDS PER SHARE

Thebe



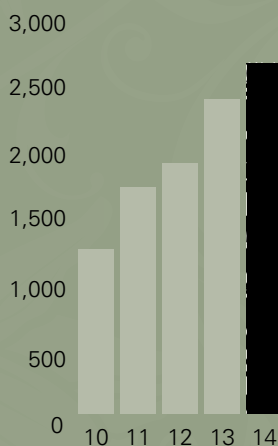
ASSETS UNDER MANAGEMENT

Pula billion



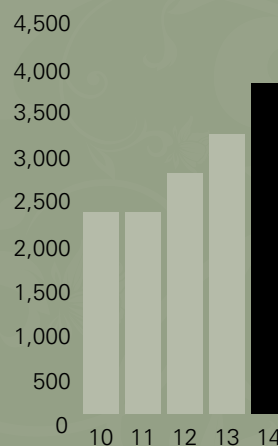
SHAREHOLDER EQUITY

Pula million



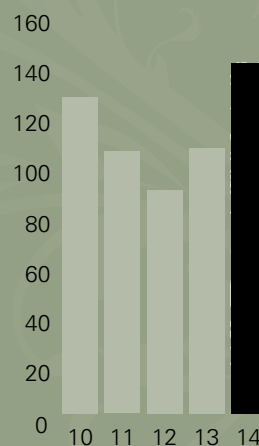
EMBEDDED VALUE

Pula million



VALUE OF NEW BUSINESS

Pula million



86 GROUP CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Year to 31 Dec 2014 P'000	Year to 31 Dec 2013 P'000 Restated	
CONTINUING OPERATIONS			
Revenue	1 986 683	1 878 026	6%
Gross premiums - recurring	990 628	929 846	7%
- single	1 018 374	959 680	6%
Premiums ceded to reinsurers	(22 319)	(11 500)	94%
Other income	951 378	3 036 022	(69%)
Fee income	110 915	98 039	13%
Investment income	972 569	594 856	63%
Loss on sale of subsidiary	(15 878)	-	
Net gains on financial assets held at fair value through profit or loss and investment properties	(161 013)	2 343 127	(105%)
Total revenue	2 937 828	4 914 048	(40%)
Net insurance and investment contract benefits and claims	(1 945 924)	(3 995 068)	(51%)
Gross benefits and claims paid	(1 202 383)	(1 058 207)	14%
Claims ceded to reinsurers	9 988	3 680	171%
Change in liabilities under investment contracts	(205 052)	(1 719 987)	(88%)
Change in policyholder liabilities under insurance contracts	(547 354)	(1 220 554)	(55%)
Expenses	(574 997)	(524 856)	10%
Selling expenses	(258 899)	(244 409)	6%
Administration expenses	(316 236)	(280 447)	13%
Profit before share of profit of associates and joint ventures	416 907	394 124	6%
Share of profit of associates and joint ventures	253 618	189 202	12%
Profit before tax from continuing operations	628 979	583 326	8%
Tax	(108 373)	(84 622)	28%
Current tax	(103 688)	(75 881)	
Deferred tax	(2 459)	(6 011)	
Capital gains tax	(2 226)	(2 730)	
Profit from continuing operations	519 463	498 704	4%

	Year to 31 Dec 2014 P'000	Year to 31 Dec 2013 P'000 Restated	
DISCONTINUED OPERATIONS			
Loss after tax for the period from discontinued operations	(14 750)	(3 931)	
Profit for the year	505 645	494 773	2%
Profit attributable to:			
- Equity holders of the parent from continuing operations	513 355	492 500	
- Equity holders of the parent from discontinued operations	(13 818)	(3 931)	
- Non-controlling interests from continuing operations	6 108	2 273	
	505 645	494 773	2%
- Earnings per share (thebe) (attributable to ordinary equity holders of the parent)			
- Basic	183	181	1%
- Diluted	181	180	1%
Earnings per share (thebe) for continuing operations			
- Basic	188	183	3%
- Diluted	186	181	3%
Number of shares for calculating earnings per share			
Number of shares in issue	281 070 652	281 070 652	(8 024 547)
Less shares in share scheme and treasury shares	(8 024 547)	(11 291 300)	
Shares used for calculating basic earnings per share	273 046 105	269 779 352	
Weighted number of dilutive options	3 511 777	2 140 098	
Shares used for calculating diluted earnings per share	276 557 882	271 919 450	

88 **GROUP CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2014

	Year to 31 Dec 2014 P'000	Year to 31 Dec 2013 P'000 Restated
Profit for the year	505 645	494 773
Other comprehensive income		
Exchange differences on translating foreign operations	(3 195)	21 944
Total comprehensive income for the year	502 450	516 717
Total comprehensive income attributable to:		
- Equity holders of the parent from continuing operations	510 160	518 375
- Equity holders of the parent from discontinuing operations	(13 818)	(3 931)
- Non-controlling interests from continuing operations	6 108	2 273
	502 450	516 717

RESTATEMENT NOTE

The Consolidated Income Statement and the Consolidated Statement of Comprehensive Income for the prior year has been restated to reflect the results of the discontinued operations.

GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2014

	Year to 31 Dec 2014 P'000	Year to 31 Dec 2013 P'000 Restated
ASSETS		
Property and equipment	20 138	20 828
Intangible assets	122 410	150 898
Long term reinsurance assets	3 728	6 124
Investment property	227 858	300 681
Investments in associates and joint ventures	1 647 451	1 439 221
Financial assets at fair value through profit or loss	12 057 747	11 293 287
- Bonds (Government, public authority, listed and unlisted corporates)	5 427 365	4 956 571
- Equity investments (Local and foreign)	6 013 540	5 711 195
- Policy loan and other loan advances	421 518	482 259
- Money market instruments	110 991	143 262
Deferred tax asset	495	2 344
Short term insurance receivables	1 788	23 063
Trade and other receivables	197 741	223 656
Tax receivable	1 500	26 973
Cash, deposits and similar securities	658 468	580 674
Total assets	14 854 989	14 067 742
EQUITY AND LIABILITIES		
Equity attributable to equity holders of parent		
Stated capital	130 821	130 821
Non distributable reserves	547 772	745 694
Retained earnings	2 007 474	1 528 886
Total equity attributable to equity holders of parent	2 686 067	2 405 401
Non-controlling interests	18 569	34 912
Total equity	2 704 636	2 440 313
Liabilities		
Policyholder liabilities under:	11 641 698	11 123 239
- Insurance contracts	7 354 668	6 809 709
- Investment contracts	4 287 030	4 313 530
Deferred tax liability	33 209	23 790
Short term insurance payables and provisions	6 983	24 159
Tax payable	18 403	1 222
Related party balances	4	3 041
Trade and other payables	450 056	451 978
Total equity and liabilities	14 854 989	14 067 742

90 GROUP CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	Stated Capital P'000	Non- Distributable Reserve P'000	Retained Earnings P'000	Total Equity Attributable to Equity Holders of Parent P'000	Non- controlling Interest P'000	Total Equity P'000
For the year ended 31 December 2014						
As at 1 January 2014						
Opening balances	130 821	745 694	1 528 886	2 405 401	34 912	2 440 313
Profit for the year	-	-	499 536	499 536	6 108	505 644
Foreign currency translation reserve movement	-	(596)	-	(596)	(2 599)	(3 195)
Dividend paid	-	-	(216 425)	(216 425)	(1 983)	(218 408)
Sale of minority interest	-	-	-	-	(17 869)	(17 869)
Transfers to retained earnings from non-distributable reserves	-	(209 795)	209 795	-	-	-
Other movements in reserves	-	12 470	(14 319)	(1 849)	-	(1 849)
Balances at 31 December 2014	130 821	547 772	2 007 474	2 686 067	18 569	2 704 636

For the year ended 31 December 2013 **As at 1 January 2013**

Opening balances	130 821	574 914	1 239 226	1 944 961	33 651	1 978 612
Profit for the year	-	-	492 500	492 500	2 273	494 773
Foreign currency translation reserve movement	-	21 944	-	21 944	-	21 944
Dividend paid	-	-	(98 375)	(98 375)	(1 012)	(99 387)
Transfers from retained earnings to non-distributable reserves	-	115 129	(115 129)	-	-	-
Other movements in reserves	-	33 707	10 664	44 371	-	44 371
Balances at 31 December 2013	130 821	745 694	1 528 886	2 405 401	34 912	2 440 313

GROUP CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	Year to 31 Dec 2014 P'000	Year to 31 Dec 2013 P'000 Restated
Cash flows from operating activities	643 019	(3 971 630)
Cash flows (utilised in)/from investing activities	(565 225)	3 791 765
Net increase/(decrease) in cash and cash equivalents	77 794	(179 865)
Cash and cash equivalents at the beginning of the year	580 674	760 539
Cash and cash equivalents at the end of the year	658 468	580 674
Represented by:		
Cash deposits and similar securities	101 391	119 937
Funds on deposit	557 077	460 737
	658 468	580 674

92 COMMENTARY ON ABRIDGED AUDITED GROUP FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2014

ECONOMIC ENVIRONMENT

Global economic growth remains fragile. Monetary policy will continue to be accommodative in major economies, still providing liquidity and fostering resilience of the financial sector to support economic expansion. Growth in advanced economies is forecast at 2.4 percent by the IMF, with the USA expected to grow by 3.6 percent, while growth in Europe is projected at 1.2 percent. Growth in emerging markets and developing countries is expected at 4.3 percent in 2015 and 4.7 percent in 2016. In Europe, the threat of deflation makes reducing rates less risky and the European Central Bank (ECB) adopted a less conventional monetary policy of quantitative easing (QE) in January 2015.

While the outlook of Africa is positive in terms of investment destination, uncertainties in some oil rich countries such as Nigeria are a concern as low oil prices put considerable pressure on those countries’ public finance. With the threat of Ebola subsiding, some West African countries (Guinea Conakry, Sierra Leone and Liberia) could see a revival of growth in 2015 as we will see a freer flow of capital both human and financial from and to those affected areas. Botswana growth rate is estimated at around 5.0 percent. Inflation is well within Bank of Botswana’s target range of 3 to 6 percent. The inflation outlook looks positive on account of worldwide oil price decreases, weak outlook for the European economy and weaker demand worldwide.

ACCOUNTING POLICIES AND PRESENTATION

The accounting policies adopted for the period comply in all material respects with International Financial Reporting Standards (IFRS) and are presented in the manner required by the Botswana Insurance Industry Act (Cap 46:01) and the Companies Act of Botswana (Companies Act, 2003). These policies are consistent with those applied for the year ended 31 December 2013

FINANCIAL OVERVIEW

	Year to 31 Dec 2014 P'000	Year to 31 Dec 2013 P'000 Restated	% Change
Analysis of shareholders’ earnings			
Operating profit	287 199	277 27	34%
Investment income on shareholders’ assets	32 448	32 807	(1%)
Core Earnings	319 647	310 080	3%
Fair value adjustments on sale of subsidiary	(15 878)	-	
Profit on sale of short term insurance division	932	-	
Share of profit of associates net of tax	211 051	189 202	12%
Investment surpluses on shareholders’ assets	97 388	80 112	22%
Profit before tax	613 140	579 394	6%
Tax	(107 495)	(84 621)	27%
Profit after tax	505 645	494 773	2%
Minority shareholders’ interest	(6 108)	(2 273)	
Profit attributable to ordinary shareholders	499 537	492 500	1%

OPERATING PROFIT BY BUSINESS

	Year to 31 Dec 2014 P'000	Year to 31 Dec 2013 P'000 Restated	% Change
Life	317 469	275 698	15%
Asset management	49 153	43 926	12%
General insurance	(27 925)	(11 709)	(138%)
Group expenses	(21 416)	(17 041)	26%
Impairment of Goodwill	(20 160)	-	-
Other	(9 922)	(13 601)	(27%)
Total	287 199	277 273	4%

Operating profit for the life business increased by 15% due to good operational earnings from all the business lines. The asset management results have been positively affected by the growth in assets under management due to good investment returns and clients' net contributions during the year. The short term insurance result has been adversely affected by restructuring costs incurred as a result of the sale of the general lines business during the year. Other expenses relate to the Unit Trusts business and CSI trust that experienced increased activities.

Investment income on shareholder assets which comprise dividend income and interest income remained flat due to the prevailing low interest rate environment. Investment surpluses for shareholders increased due to satisfactory capital gains, this income line remains susceptible to market volatilities.

The tax expense ratio increased compared to prior year due to general lines losses and impairment of goodwill which were not tax deductible.

EMBEDDED VALUE

The Group's embedded value has increased by an impressive 17% to P3.8 billion. The embedded value was positively affected by good operating earnings, especially the life business, and improved market value for the non-life operations. The embedded value allows for P216.4 million dividends paid during the year.

VALUE OF NEW LIFE BUSINESS

The value of new life business (VNB) grew significantly by 35% to P148.2 million as a result of significant growth in most of the business lines and changes in mortality assumptions. Improved persistency levels have also contributed to the positive earnings. The changing economic environment resulted in a change in the risk discount rate which impacted positively on the VNB.

94 OVERVIEW OF OPERATIONS

FOR THE YEAR ENDED 31 DECEMBER 2014

For management purposes, the group is organised into three principal business areas based on their products and services and these make up the three reportable operating segments as follows:

- The life insurance segment which provides life insurance services to its customers through Botswana Life Insurance Limited, a subsidiary of the Group
- The asset management segment which provides asset management services to its customers through Botswana Insurance Fund Management Limited, a subsidiary of the Group
- The general insurance segment which provides legal insurance to its customers through BIHL Insurance Company Limited, a subsidiary of the Group
- Inter-segment transactions that occurred during 2014 and 2013 between business segments are set on an arm's length basis in a manner similar to transaction with third parties. Segmental income, segment expense and segment results will then include those transfers between business segments, which will then be eliminated on consolidation.

OTHER SEGMENTS

The source of revenue for segments included in other segments is Unit Trust business, Holding Company and the Corporate Social Investment Trust.

SEGMENT RESULTS

	Life Business P'000	Asset Management P'000	General Insurance P'000	Other P'000	Inter Segmental P'000	Consolidated Total P'000
For the year ended 31 December 2014						
Continuing operations						
Premium revenue	1,948,073	-	38,610	-	-	1,986,683
Fee revenue						
- Internal	-	5,548	-	-	(5,548)	-
- External	-	107,062	697	3,156	-	110,915
Investment income	452,176	535,799	769	462,598	(478,773)	972,569
Profit on sale of subsidiary	-	-	-	-	-	932
Fair value losses on sale of short term insurance division	-	(15,878)	-	-	-	(15,878)
Fair value gains and losses	150,298	(311,311)	-	-	-	(161,013)
Total net income	2,550,547	321,220	40,076	465,754	(484,321)	2,893,276
Policyholder benefits paid	(1,173,806)	-	(18,589)	-	-	(1,192,395)
Change in liabilities under investment contracts	-	(205,052)	-	-	-	(205,052)
Change in policyholder liabilities under insurance contracts	(547,354)	-	-	-	-	(547,354)
Impairment of goodwill	-	-	-	-	(20,160)	(20,160)
Administration expenses	(171,278)	(63,458)	(32,396)	(94,987)	66,042	(296,076)
Selling expenses	(257,735)	-	(1,164)	-	-	(258,899)
Profit before share of profit of associates and joint ventures	400,374	95,277	(11,141)	370,767	(438,439)	416,839
Share of profit of associates and joint ventures	-	20,104	-	190,947	-	211,051
Income tax expense	(84,000)	(23,660)	878	(16,945)	16,232	(107,495)
Profit after tax from continuing operations	316,374	91,721	(10,263)	544,769	(422,207)	520,395
Loss from discontinued operations	-	-	(14,750)	-	-	(14,750)
Profit/(loss) for the year	316,374	91,721	(25,013)	544,769	(422,207)	505,645

	Life Business P'000	Asset Management P'000	General Insurance P'000	Other P'000	Inter Segmental P'000	Consolidated Total P'000
For the year ended 31 December 2013						
Continuing operations (Restated)						
Premium revenue	1,844,243	-	33,783	-	-	1,878,026
Fee revenue			-			
- Internal	-	5,271	-	(5,271)	-	
- External	-	94,414	1,031	2,594	-	98,039
Investment income	419,799	194,319	369	115,428	(135,059)	594,856
Fair value gains and losses	793,155	1,553,294	-	(3,322)	-	2,343,127
Total net income	3,057,197	1,847,298	35,183	114,700	(140,330)	4,914,048
Policyholder benefits paid	(1,038,326)	-	(16,201)	-	-	(1,054,527)
Change in liabilities under investment contracts	-	(1,719,987)	-	-	-	(1,719,987)
Change in policyholder liabilities under insurance contracts	(1,220,554)	-	-	-	-	(1,220,554)
Administration expenses	(171,626)	(55,759)	(25,097)	(61,720)	33,755	(280,447)
Selling expenses	(243,372)	-	(1,038)	-	-	(244,410)
Profit before share of profit of associates and joint ventures	383,319	71,552	(7,153)	52,980	(106,575)	394,123
Share of profit of associates and joint ventures	-	43,198	-	146,004	-	189,202
Income tax expense	(68,918)	(17,073)	677	(6,685)	7,378	(84,621)
Profit after tax from continuing operations	314,401	97,677	(6,476)	192,299	(99,197)	498,704
Loss from discontinued operations	-	-	(3,931)	-	-	(3,931)
Profit/(loss) loss for the year	314,401	97,677	(10,407)	192,299	(99,197)	494,773

SEGMENT ASSETS AND LIABILITIES

At 31 December 2014

Total Assets	9,318,427	8,084,328	30,374	2,328,822	(4,906,962)	14,854,989
Total Liabilities	7,773,619	7,591,789	28,304	1,499,689	(4,743,048)	12,150,353

At 31 December 2013

Total Assets	8,590,867	7,826,420	64,843	2,897,304	(5,311,692)	14,067,742
Total Liabilities	7,196,561	7,355,208	53,015	2,108,168	(5,085,523)	11,627,429



As we commemorate
40 years of heritage,
we commit to
another 40 years of
championing real,
sustainable progress
for our people,
our communities
and our nation.

