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The Botswana Stock Exchange (BSE) became a Partner Exchange of the Sustainable Stock Exchange (SSE) initiative in 2016 making a commitment to promote sustainability performance and transparency in capital markets. This fits well within the BSE's internationalization strategy as the SSE initiative is a global forum for sharing best practices on sustainability.

Since we joined SSE we have been involved in a number of sustainability forums. I participated at the SSE Executive Dialogue on Green Finance in Nairobi, Kenya in July 2016 where I spoke on the role of stock exchanges in financing the transition to a green economy.

In 2017, the BSE joined the Green Finance Advisory Group of the SSE Initiative to promote our proximity to issues of green finance within the capital market and we also signed the Marrakech Pledge on promoting green capital in Africa. Further, our initiative to introduce the Tshipidi Small Medium Enterprise (SME) Board was profiled in a research report, published jointly by United Nations UNCTAD and the World Federation of Exchanges (WFE) titled “The Role of Stock Exchanges in Fostering Economic Growth and Sustainable Development”. In the same year, we made a commitment to put together a Model Guidance for Reporting ESG Information to Investor which is a voluntary technical tool for stock exchanges to guide issuers.

By large, we have been learning and interacting within our network at a global level whilst simultaneously positioning the subject matter back home. Exchanges are well placed to have measurable impact on these five Sustainable Development Goals; gender equality, decent work and economic growth, responsible consumption and production, climate action and partnerships for the goals. Of course, participants within the capital markets, including listed companies, can have an impact in all of the 17 SDGs. However, the extent to which they are involved with SDGs has not been adequately collated in one piece for public consumption.

When the UNDP Botswana approached us in June 2017 to collaborate in profiling the sustainability practices of listed companies we welcomed the initiative as a crucial step of showcasing our listed companies. This publications therefore forms a module of the many initiatives in which we intend to collaborate, and these include promoting learning among listed companies as well exploring a quantitative instrument to recognize listed companies that uphold sustainability practices, perhaps in the form of a sustainability index.

I am pleased to highlight that the BSE took part as profiled in this publication and this was primarily to challenge ourselves to develop ways to elevate our contribution to SGDs and ESG principles. Most importantly, it was to give ourselves an impetus to lead from the front given our commitment to promote sustainable development in the capital market.

I would like to thank all listed companies for taking part in this exercise. I would like to believe that this publication will encourage listed companies to continue to play a more
meaningful role in as far as sustainability is concerned. Let me thank the Ministry of Finance and Economic Development, Ministry of Environment, Natural Resources Conservation & Tourism and the Gaborone Declaration for Sustainability in Africa for their pro-activeness and guidance in contributing to this initiatives as a broader part of the Road Map to a National Sustainable Development Strategy for Botswana. Gratitude also goes to UNDP for the immense part they played in facilitating the compilation of this report and supporting the stakeholder engagement workshops hosted as part of this project.

I hope this is an informative read for the investor community and that it will fulfil its function of raising awareness about the sustainability practices undertaken by listed domestic companies.

**Thapelo Tsheole**  
Chief Executive Officer  
**Botswana Stock Exchange**
The world has chosen Sustainable Development (SD) as its development paradigm. In 2015, all 193 countries signed on to the United Nations Sustainable Development Goals (SDGs) for 2030, setting a broad and bold agenda for reducing poverty, promoting inclusive prosperity, and sustaining the environment. This report shows how companies listed on the Botswana Stock Exchange (BSE) are already contributing to this agenda through their existing sustainability practices.

Botswana is highly committed to sustainable development and the SDGs as demonstrated by its national frameworks and initiatives. Vision 2036 and National Development Plan 11 both commit the country to sustainable development and the SDGs. Botswana led the formulation of the Gaborone Declaration for Sustainability in Africa (GDSA), and has produced a broad-based draft National Framework for Sustainable Development. In April 2016, Botswana held its first high-level Sustainable Finance Symposium, from which this initiative evolved. The country launched its own National SDG Roadmap on 22 February 2018. UNDP has been a key partner in the formulation of these frameworks, and will continue to support them. This report is therefore a first step in a partnership to promote sustainability and the SDGs in the private sector, starting with the current sustainability practices of BSE-listed companies.

The report is highly revealing. First, it shows that several companies are making significant strides on sustainability, to the extent of integrating it in their reports. Second, the sustainability practices that BSE-listed companies are implementing, even though isolated, significantly address several of Botswana’s development aspirations. Finally, the report shows that there is a strong basis for BSE-listed companies to contribute to the SDGs. It also implores companies to take further steps to integrate sustainability at the core of their business beyond corporate social responsibility, good as it is. There is also an opportunity for the BSE to measure sustainability progress through a reporting system and a set of principles to guide all listed companies.

Sustainability will benefit companies and the BSE at large. There is a strong business case for sustainable development, which makes it imperative for companies to integrate SD and SDGs into their business models. The recent report by Business and Sustainable Development Commission, “Better Business, Better World” makes the case that, not only do the SDGs need the private sector, but business needs the SDGs too. Sustainable companies around the globe are thriving and delivering attractive returns to shareholders. Over 9,000 companies around the world have already signed up to the 10 principles of the UN Global Compact, a guide to sustainable business behaviour. Strategically, BSE joined 68 other stock exchanges worldwide in the Sustainable Stock Exchanges (SSE) Initiative and other global sustainable development initiatives. This report is a demonstration of the determination by the BSE to put its commitments into practice.

Companies are encouraged to use this report to learn from each other and move towards even better practices. We will use the report to grow our partnership with the BSE and Government with a focus on:
1. Promoting sustainability learning and innovation among companies, especially on sustainability practices, business models for sustainable development, sustainability reporting and integrating SDGs.
2. Identifying and pursuing opportunities for financing sustainable development initiatives contributing to Botswana’s development agenda.
3. Facilitating dialogue between government, regulators and the private sector to ensure a conducive environment for private sector sustainability.
4. Recognizing and showcasing exemplary sustainability efforts by the private sector.

I would like to express my appreciation to the technical team from BSE, UNDP, Ministry of Environment Natural Resources Conservation and Tourism, Gaborone Declaration for Sustainability in Africa and University of Botswana for working together towards this report. I also want to thank all the companies that supplied the valuable information that went into the report.

Jacinta Barrins

Resident Representative

UNDP Botswana
1.0 INTRODUCTION

The Addis Ababa Action Agenda of the third International Conference on Financing for Development held in 2015 clearly articulates, among others, the reaffirmation of national governments to achieve sustainable development through promoting inclusive economic growth, protecting the environment, and promoting social inclusion1. This was in anticipation of the universal post-2015 development agenda which partly sought ways to further strengthen the framework to finance sustainable development and the means of implementing the agenda. The Addis Ababa Action Agenda further made a clarion call to all diverse businesses (ranging from micro-enterprises to cooperatives and to multinationals) to apply their creativity and innovation to solving sustainable development challenges. The Universal Post 2015 Agenda or the 2030 Agenda for Sustainable Development was ultimately adopted in the same year, with its 17 Sustainable Development Goals (SDGs) and associated 169 targets for achieving the goals. The 17 goals are summarised below2.

Goal 1_No poverty
Goal 2_Zero hunger
Goal 3_Good health and well-being
Goal 4_Quality education
Goal 5_Gender equality
Goal 6_Clean water and sanitation
Goal 7_Affordable and clean energy
Goal 8_Decent work and economic growth
Goal 9_Industry, innovation and infrastructure
Goal 10_Reduced inequalities
Goal 11_Sustainable cities and communities
Goal 12_ Responsible consumption and production
Goal 13_Climate action
Goal 14_Life below water


The goals are aimed at addressing the economic, social and environmental challenges facing the earth using a set of priorities and aspirations to be achieved by 2030 through partnerships between governments, businesses and civil society (United Nations, 2015a).

The Botswana Stock Exchange (BSE) has voluntarily committed itself to achieving the development goals “through dialogue with investors, companies and regulators, to promoting long-term sustainable investment and improved environmental, social and corporate governance disclosure and performance among companies listed on the exchange”\(^3\). It also subscribes to the Marrakech Pledge on Climate and Sustainable Development, which is a “commitment by all African Capital Markets Regulators and Exchanges to act collectively in favor of sustainable development by enabling the establishment of Green Capital Markets in Africa”\(^4\). This stemmed from the November 2016 Marrakech Action Proclamation where Africa’s heads of state recommitted themselves to the aspirations of sustainable development\(^5\).

The United Nations Development Programme (UNDP) and the Botswana Stock Exchange (BSE) have, therefore, commissioned this short research to determine the overall state of sustainability practices among BSE-listed companies. The findings of the research will provide the starting point and help identify the issues to focus on in subsequent engagements with the private sector on sustainable development and the SDGs. They will also guide the development of sustainability principles that listed companies can adopt and use to promote sustainability performance and transparency in the capital market. These activities and processes will contribute to the BSE fulfilling its commitments towards the SSEI and the Marrakech Pledge, while also helping Botswana to implement the SDGs and realising its national Vision 2036 (Achieving Prosperity for All).

The report structure comprises the background which describes the role of stock exchanges in driving sustainability issues; the approach adopted for the profiling

\(^3\) BSE letter to UN Secretary General. “Sustainable Stock Exchanges: Voluntary Commitment to promote sustainability performance and transparency in Capital Markets”

\(^4\) http://marrakechpledge.com/ (refer to objectives)

exercise; profiling of individual companies by listing category; and a synthesis of the general sustainability landscape for BSE listed companies.

1.1 BACKGROUND: STOCK EXCHANGES AND SUSTAINABILITY

Stock exchanges play a critical role as change agents that catalyse the uptake of new products in response to market demand. They are also responsible for providing orderly and fair market operations, and can contribute to the broader principles that facilitate the creation of sustainable, transparent and inclusive markets. The Sustainable Stock Exchange (SSE) initiative has been working with stock exchanges to develop more sustainable capital markets since 2009.

Even though sustainable development goals are sometimes perceived “nonfinancial” or “extra financial” they have extra implications for companies depending on how companies manage them. Adoption of sustainability practices by companies boost business operations in terms of access to capital; cost savings and productivity; risk market; revenue growth and market access; brand value and reputation; license to increase operations; human capital; employee retention and recruitment; company value as an acquisition target; and the ability to acquire other high quality companies. The SSE initiative has identified five targets under the SDGs that stock exchanges are well positioned to support as depicted in Table 1.

______________________


Table 1: SSE recommended SDGs and targets for adoption by stock exchanges

<table>
<thead>
<tr>
<th>Sustainable Development Goal</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>5: Gender equality</td>
<td>5.5: Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</td>
</tr>
<tr>
<td>8: Decent work and economic growth</td>
<td>8.3: Promote development-oriented policies that support activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro, small and medium size enterprises, including access to financial services</td>
</tr>
<tr>
<td>12: Responsible consumption and production</td>
<td>12.6: Encourage companies to adopt sustainable practices and integrate sustainability information into their reporting cycle.</td>
</tr>
<tr>
<td>13: Climate action</td>
<td>13.3: Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.</td>
</tr>
<tr>
<td>17: Partnerships for the goals</td>
<td>17.6: Enhance the global partnerships for sustainable development by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technologies and financial resources to support the achievement of sustainable development goals in all countries, particularly developing countries</td>
</tr>
</tbody>
</table>
Goal 5, target 5.5: Promoting gender inclusiveness means that private sector should explore ways to enhance the leadership skills of women in the capital market. For instance, gender neutral boards and workforce have been found to deliver higher productivity, better organisational effectiveness and corporate value. Some of the areas in which national stock exchanges could influence this sustainable development goal and targets include the promotion of women as consumers and business leaders; and entrepreneurs to transform the global economy by supporting job creation, raising per capita income and promoting sustainable development.

Goal 8, target 8.3: In relation to decent work and economic growth, the focus is on supporting small and medium enterprises (SMEs) for job creation, economic growth in the quest for advancing development, creating stable societies and reducing poverty. SMEs have limited access to finance, which means that stock exchanges could aim to advance this goal through training SME management, supporting social enterprises and investing in long lasting impact initiatives.

Goal 12, target 12.6: Stock exchanges can facilitate responsible consumption and production, through reporting requirements that cover long term value generation, Environment, Social and Governance (ESG) issues as well as specific financial information.

Goal 13, target 13.3: Green finance and climate related disclosure are some of the ways in which national stock exchanges can promote sustainability and climate solutions. This enhances the role played by the exchanges in equity and debt markets through the introduction of climate aligned financial products and tools that have grown out of environmental targets set by national governments, alongside the growing understanding of the challenges and opportunities that climate change poses to investors and the recognition that large sums of private capital will be needed to meet the world’s climate goals.

Goal 17, Target 17.6: Partnerships promote multidisciplinary and innovation for the achievement of the 17 SDGs. Stock exchanges are, therefore, critical in mobilising knowledge, expertise, technologies and financial resources among their listed companies.

Considering that national stock exchanges differ as are the markets in which they operate, the different goals and targets apply differently to the stock exchanges of each country. The ones discussed above are just the minimum goals and targets being promoted by the global SSE. Individual stock exchanges can decide to add more that are relevant to their market context.
1.2 OVERVIEW OF THE BOTSWANA STOCK EXCHANGE

The Botswana Stock Exchange was established in 1989 with the responsibility to operate and regulate the equity and fixed interest securities market (BSE, 2017). It has since grown to be the 3rd largest stock exchange in southern Africa in terms of market capitalization. The products that can be listed include equities, corporate bonds, government bonds and exchange traded products\(^9\). The BSE's vision is to be “a world class securities exchange delivering innovative products and services”. As such, the bourse’s mission is “to drive sustainable economic growth by providing a gateway for raising capital and accessing investment opportunities”. These will be achieved by upholding the values of innovation, integrity, sustainability, efficiency, commercial focus, and teamwork. Table 2 presents the 24 domestic companies that were listed with the BSE at the time of the study.

Table 2: BSE listed domestic companies

<table>
<thead>
<tr>
<th>Category</th>
<th>Domestic company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-banking financial services and insurance</td>
<td>Botswana Insurance Holding Limited</td>
</tr>
<tr>
<td></td>
<td>Letshego Holdings Limited</td>
</tr>
<tr>
<td></td>
<td>Afinitas Limited</td>
</tr>
<tr>
<td>Retail &amp; wholesaling</td>
<td>Choppies Enterprises Limited</td>
</tr>
<tr>
<td></td>
<td>Sechaba Breweries Holdings Limited</td>
</tr>
<tr>
<td></td>
<td>Sefalana Holding Company Limited</td>
</tr>
<tr>
<td></td>
<td>Furnmart Limited</td>
</tr>
<tr>
<td></td>
<td>Olympia Capital Corporation (Botswana) Limited</td>
</tr>
<tr>
<td>Property &amp; property trust</td>
<td>PrimeTime Property Holdings Limited</td>
</tr>
<tr>
<td></td>
<td>RDC Properties Limited</td>
</tr>
<tr>
<td></td>
<td>Letlole La Rona Limited</td>
</tr>
<tr>
<td></td>
<td>New African Properties Limited</td>
</tr>
<tr>
<td></td>
<td>The far Property Company Limited</td>
</tr>
<tr>
<td></td>
<td>Turnstar Holdings Limited</td>
</tr>
<tr>
<td>Banking</td>
<td>Barclays Bank of Botswana Limited</td>
</tr>
<tr>
<td></td>
<td>First National Bank Botswana Limited</td>
</tr>
<tr>
<td></td>
<td>Standard Chartered Botswana Limited</td>
</tr>
<tr>
<td>Security Services</td>
<td>G4S Botswana Limited</td>
</tr>
<tr>
<td>Tourism</td>
<td>Cresta Marakanelo Limited</td>
</tr>
<tr>
<td></td>
<td>Chobe Holdings Services</td>
</tr>
</tbody>
</table>

\(^9\) http://www.bse.co.bw/abt_us/role_in_botswana.php
In addition to the domestic companies, at the time of the research, there were 15 foreign companies listed on the BSE, with six on the main board, five venture capital companies and four exchange traded funds. This study focuses on the domestic companies only.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wilderness Holdings</td>
<td>Wilderness Holdings Limited</td>
</tr>
<tr>
<td>Energy</td>
<td>Engen Botswana Limited</td>
</tr>
<tr>
<td>ICT</td>
<td>Botswana Telecommunications Corporation Limited</td>
</tr>
<tr>
<td>Mining &amp; Material</td>
<td>Minergy Limited</td>
</tr>
</tbody>
</table>
This study sought to provide an overview of how the different companies listed on the BSE are addressing the different dimensions of sustainable development (environmental, social and governance) as a basis for sustainability. In order to profile company sustainability practices, a best practice reference list (Table 3) was constructed based on existing global practices\textsuperscript{10} which were customised for Botswana in collaboration with the UNDP, BSE the Ministry of Environment Natural Resources Conservation and Tourism, the University of Botswana and the Secretariat of the Gaborone Declaration for Sustainability in Africa (GDSA).

\textsuperscript{10} Adopted from https://www.theguardian.com/sustainable-business/blog/best-practices-sustainability-us-corporations-ceres; https://www.ceres.org/sites/default/files/2017-05/Ceres_Roadmap_for_Sustainability_2010.pdf; Letsholo (undated); www.humanrights.dk/sdg-guide
### Table 3: Reference list of sustainability practices

<table>
<thead>
<tr>
<th>Sustainability aspect</th>
<th>Reference practices</th>
<th>Checklist</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental</strong></td>
<td>Investment in sustainable products and services</td>
<td>✓ In-house waste reduction and pollution prevention mechanisms</td>
</tr>
<tr>
<td></td>
<td>Innovation</td>
<td>✓ Technology solutions that address sustainable development challenges in e.g. waste, water, energy</td>
</tr>
<tr>
<td></td>
<td>Transportation</td>
<td>✓ Use of fuel efficient vehicle fleets.</td>
</tr>
<tr>
<td></td>
<td>Buildings and facilities</td>
<td>✓ Design and construction of environmentally sustainable buildings</td>
</tr>
<tr>
<td></td>
<td>Design</td>
<td>✓ Integration of alternative, recycled, and recyclable materials in production and packaging design</td>
</tr>
<tr>
<td></td>
<td>Certification/Environmental Management Systems</td>
<td>✓ ISO certification</td>
</tr>
<tr>
<td></td>
<td>Supply chain management</td>
<td>✓ Sustainably produced or harvested inputs or raw materials</td>
</tr>
<tr>
<td><strong>Social</strong></td>
<td>Partnerships with communities</td>
<td>✓ Setting aside time for community projects</td>
</tr>
<tr>
<td></td>
<td>Investment in sustainability projects</td>
<td>✓ Fair compensation for supplier communities</td>
</tr>
<tr>
<td></td>
<td>Investor dialogue</td>
<td>✓ Partnerships with research institutions, schools etc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Grants to environmental groups</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Engaging local communities in order to accelerate investment in sustainable livelihoods, e.g. farming</td>
</tr>
<tr>
<td>Human rights</td>
<td>✓ Combating inequalities and discrimination</td>
<td></td>
</tr>
<tr>
<td>Investment in employee/community social welfare</td>
<td>✓ Employee education</td>
<td></td>
</tr>
<tr>
<td></td>
<td>✓ Gender balance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>✓ Safety and health</td>
<td></td>
</tr>
<tr>
<td>National aspirations</td>
<td>✓ Contribution to nationally defined development targets e.g. poverty eradication poverty.</td>
<td></td>
</tr>
<tr>
<td>Corporate governance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reporting</td>
<td>✓ Integration of social, financial, and environmental goals in annual reports</td>
<td></td>
</tr>
<tr>
<td></td>
<td>✓ Or Separate sustainability reporting</td>
<td></td>
</tr>
<tr>
<td>Support to teams or individuals facilitating sustainability in the company</td>
<td>✓ Environmental champions/green teams</td>
<td></td>
</tr>
<tr>
<td>Employee engagement</td>
<td>✓ Employee education/ awareness on sustainability issues</td>
<td></td>
</tr>
<tr>
<td>Stakeholder engagement</td>
<td>✓ Presentation of the company sustainability strategy and goals in annual general meetings.</td>
<td></td>
</tr>
<tr>
<td>Supply chain management</td>
<td>✓ Working with suppliers to establish GHG emissions reductions and energy efficiency targets</td>
<td></td>
</tr>
<tr>
<td>Management accountability and executive compensation</td>
<td>✓ Holding Management accountable to sustainability and rewarded good sustainability performance</td>
<td></td>
</tr>
<tr>
<td>Policies, plans and programmes (PPPs)</td>
<td>✓ Inclusion of sustainability aspects in company PPPs.</td>
<td></td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-----------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Disclosure</td>
<td>✓ Transparency in the use of environment sensitive inputs</td>
<td></td>
</tr>
<tr>
<td>Adoption of SDGs/sustainable development</td>
<td>✓ Priority SDGs that the company focuses on</td>
<td></td>
</tr>
<tr>
<td>Incentivising employees</td>
<td>✓ Rewarding safety and environmental stewardship</td>
<td></td>
</tr>
</tbody>
</table>
| Ownership of sustainability principles | ✓ Board level leadership on sustainability  
                                    | ✓ Senior management leadership on sustainability |
A questionnaire, accompanied by the checklist, was distributed to all domestic listed companies to elicit specific information on the ESG practices and issues they are currently pursuing. Eleven companies responded to the questionnaire (see Table 4). The profiling of companies that did not respond to the questionnaire was therefore based on secondary information publicly available on their websites and in their annual reports (where these could be found).

Compilation of individual company sustainability profiles was, therefore, based on assessing each company's information received from the survey questionnaire, their reports as well as other relevant documents, against the sustainability practice reference list in Table 3.

Table 4: Companies that responded to the questionnaire

<table>
<thead>
<tr>
<th>Category</th>
<th>BSE listed domestic company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial services and insurance</td>
<td>- Letshego Holdings Limited</td>
</tr>
<tr>
<td></td>
<td>- Botswana Insurance Holding Limited</td>
</tr>
<tr>
<td>Retail &amp; whole sailing</td>
<td>- Sechaba Breweries Holdings Limited</td>
</tr>
<tr>
<td></td>
<td>- Sefalana Holding Company Limited</td>
</tr>
<tr>
<td>Property &amp; property trust</td>
<td>- RDC Properties Limited</td>
</tr>
<tr>
<td></td>
<td>- PrimeTime Property Holdings Limited</td>
</tr>
<tr>
<td>Banking</td>
<td>- Barclays Bank of Botswana Limited</td>
</tr>
<tr>
<td></td>
<td>- First National Bank Botswana Limited</td>
</tr>
<tr>
<td>Tourism</td>
<td>- Cresta Marakanelo Limited</td>
</tr>
<tr>
<td>Energy</td>
<td>- Engen Botswana Limited</td>
</tr>
<tr>
<td>ICT</td>
<td>- Botswana Telecommunications Corporation Limited</td>
</tr>
</tbody>
</table>

The profile for each company covers its overall business focus in terms of its vision, mission, values or goals where this information is available, the social, environmental and governance practices and proposed areas for further improvement.
3.0 SUSTAINABILITY PRACTICES IN BSE LISTED COMPANIES

3.1 CATEGORY 1: NON-BANKING FINANCIAL SERVICES AND INSURANCE SECTOR

Finance and Investment have been recognised as some of the key building blocks for realising sustainable development in Botswana (Chambwera, 2016). According to the UN Global Compact (UNGC) and KPMG (2017), the financial services sector supports improved economic wellbeing and hence provides opportunities for advancing SDGs premised on access and investment\(^\text{11}\). Furthermore the sector could achieve this by aiding access to secure payment and remittance factors, savings, credit and insurance thus facilitating financial inclusion for individuals (SDG 1, 2-4 and 10), SME (SDG 5 and 8) and governments (SDG 13). On the other hand investment may entail financing and insuring renewable energy (SDG 7, 13) and other sustainable and resilient infrastructure projects (SDGs 6 and 9). Some of the ESG issues relevant for the non-banking financial services and insurance sector are depicted in figure 1\(^\text{12}\).

![ESG Issues Diagram](image)

**Figure 1: Insurance industry and SDGs (adapted from Bacani (2015))**

Botswana Insurance Holding Limited, Letshego Holdings Limited and Afinitas Limited are the three companies which fall under the Non-banking Financial Services and Insurance sector.

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\(^{11}\) https://home.kpmg.com/content/dam/kpmg/xx/pdf/2017/05/sdg-financial-services.pdf

Insurance sector category of BSE listed companies. Their sustainability profiles are presented below.

3.1.1 BOTSWANA INSURANCE HOLDINGS LIMITED

Botswana Insurance Holdings Limited (BIHL) is a broad-based financial services group and one of the largest companies listed on the BSE. The group consists some subsidiaries, which include Bifm, Botswana Life, and Legal Guard. Its core business comprises life insurance, asset management and short term insurance.

3.1.1.1 COMPANY VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT.

BIHL aspires to be the leading regional financial services provider through optimisation of the Group’s collective strength. The company’s mission is thus to collaborate for innovative growth, optimise efficiency and provide the right financial solutions to individual and institutional clients. These solutions include insurance, investment and employee benefits. This will be achieved by upholding values such as Support & Collaboration; Accountability; Upholding ethical standard; Innovativeness; and Authenticity.

3.1.1.2 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM

The BIHL 2016 annual report clearly outlines BIHL’s commitment to sustainability. It states: “For us, sustainability is engrained into the very way in which we approach our business and our engagement with our people, our community and our environment. Everything we do is grounded in a fervent desire to ensure we remain “sustainable.”... Simply put: to be truly sustainable, BIHL has to take account of the three Ps - People, Profit and Planet.” (BIHL, 2016, p. 70-71).

Environmental sustainability

The key elements in the environmental sustainability component include: waste reduction through better printing techniques and newspaper recycling; water and energy efficiency. Newspapers are collected and then donated to a group of women in a village 40km from Gaborone, who in turn use them to make flower pots, which are sold to generate income. To address water and energy efficiency, recycled water is used for gardening while the company has invested in low energy usage lights, and employees are encouraged to switch off lights when not in use.

Social aspects of sustainability

The outstanding elements of the social component of sustainability include community engagement, education and training, contribution to national aspirations, as well as investment in sustainability projects. One percent of shareholder profits is invested in community projects, which include education, social upliftment, poverty alleviation and sports development. Specific examples of such projects include the development of a community hall in Gamodubu village located on the outskirts of Gaborone and the construction of six houses for the disadvantaged in various parts of the country. Focusing on education and training, BIHL has a literacy programme in which primary school teachers are re-trained on efficient methods of primary school teaching in reading skills based on a pupil’s age and grade/standard. Furthermore, the company offers a graduate scholarship program dubbed Prof Thomas Tlou Scholarship programme. In addition, BIHL has invested in the Maru-A-Pula School Orphanage and Vulnerable Children Fund, where underprivileged children are afforded the opportunity to study in the prestigious Maruapula Secondary School and universities such as Princeton University. The company has also contributed to the national aspiration of poverty eradication through the construction of ten houses in support of the Presidential Housing Appeal. Five more houses are expected to be constructed in 2018.

Corporate governance

In its bid to achieve corporate governance, the main sustainability practices at BHIL include reporting, stakeholder engagement and ownership of sustainability principles by management. The BIHL covers sustainability in its reporting system (see, for example, the 2016 annual report). The report states that the company also engaged its subsidiaries in a programme aimed at efficient use of power and water. This initiative also shows ownership leadership on sustainability issues by the board.

A summary of how the BIHL Group and its subsidiaries advances the different dimensions of sustainability is given in figure 2.
3.1.1.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

The findings from the questionnaire survey and review of BIHL 2016 annual report show that BIHL fully appreciates the sustainability concept. Some avenues through which the company could enhance its pursuit in this endeavour include but not limited to:

1. Thomas Tlou Scholarship Programme: currently this is meant for various graduate programmes. The BIHL could make a deliberate effort to channel it towards developing capacity on how the insurance industry could directly impact sustainable development.

2. Sustainability budget: the company has made a conscious effort to set aside one percent of its operating profit towards Corporate Social Investment (CSI) which touches on only one aspect of sustainability, social sustainability. Similarly a defined percentage could be ear-marked for investment in environmental sustainability projects where grants are awarded to environmental groups to address climate change and extreme weather events like natural disasters (e.g. flooding), biodiversity loss and ecosystem degradation, water scarcity, food insecurity, environmental pollution.

3. Considering the escalating cases of gender based violence, the company could also come up with a product targeting women who become victims of domestic violence, rape etc.
Letshego Holdings Limited (LHL) is a microfinance institution operating in Botswana, Ghana, Kenya, Lesotho, Mozambique, Namibia, Nigeria, Rwanda, Swaziland, Tanzania and Uganda.

3.1.2 LETSHEGO HOLDINGS LIMITED

3.1.2.1 COMPANY VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT

Letshego is a microfinance institution which aspires to create Africa’s leading inclusive finance group, achieving a clear strategic vision for pan-African growth and broad-based diversification while focusing on social impact through inclusive finance. The company is anchored on values captioned as Simple, Appropriate, and Accessible.

3.1.2.2 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM

Environmental sustainability

A review of the company annual report and questionnaire response has shown that the environment component of sustainability at Letshego is addressed mainly through investment in sustainable products and service as well as financial literacy. The company is currently investigating measures to track initiatives implemented by their customers in selected sectors with the aim of educating customers on alternative solutions which make their business more resilient to process input costs, as well as environmental forces such as climate change.

Social aspects of sustainability

Letshego’s social aspect of sustainability emphasises on investor dialogue, investment in employee/community social welfare and human rights. Through the “Improving Life campaign”, customer stories and data are sought for the purpose of collating key sustainability indicators that would be used to inform financial solutions as well as rewarding customers that use loans for productive and profitable purposes rather than for consumptive ones. The financial literacy programmes on the other hand was done in collaboration with the Botswana Directorate of Public Service Management to conduct financial literacy workshops for government employees. Letshego’s Health Care Innovation programme targets prevention, diagnosis and management of non-communicable diseases (NCDs) in low resource settings, which address the need for patient access to care, quality and consistency of service as well as continuing medical education of health workers. To protect its clients from over-indebtedness, Letshego has aligned its customer protection policies with international best practices, such as the Smart Campaign Client Protection Principles to promote responsible and ethical lending.
Corporate governance

The key elements of corporate governance and sustainability include employee engagement, policies, plans and programmes, as well as reporting. Letshego keeps its employees abreast of industry innovations, as well as process and support areas to ensure that new solutions can be accurately described to customers. In 2015, Letshego initiated a process of mapping its ESG impact frameworks and credentials in order to embed these philosophies and frameworks into business-as-usual operations. The company’s independent Social and Environmental Due Diligence report indicated high levels of conformance with globally accepted frameworks including the UN Global Compact at 97% and the UN Environmental Programme Statement of Commitment by Financial Institutions to Sustainable Development, at 85%. The company is currently updating its Social and Environmental Management System (SEMS) and its data management system in order to derive maximum value from the system. Furthermore, the company has instituted a social impact scorecard against which it monitors and measures its performance beyond tracking Net Promoter Scores, customer satisfaction levels, and amount spent on Corporate Social Investment (CSI) initiatives.

Sustainability is an integral part of reporting at Letshego with a focus on strategy, performance, operations, governance, and progress reporting in line with the BSE Listing Requirements as well as King IV, GRI, and IIRC reporting guidelines. Letshego has a Group Sustainability Committee (GSC), which manages sustainability issues like efficiency of the sustainability framework, annual review of sustainability policies, procedures and practices for improvement, implementation of [the] social and environmental management system, and associated policies and procedures to monitor, report and remediate the group’s ESG credentials. Figure 3 summarises sustainability practices observed at Letshego.

Figure 3. Key sustainability practices at Letshego
3.1.2.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

Letshego’s operations show that the company embraces sustainability, even though the company’s business operations have limited direct impact on the environment. More could still be considered by the company in the following areas:

1. In-house investment in sustainable products and services such as in-house waste reduction and energy efficiency. This can be achieved through the spirit of volunteerism that exists in the company in terms of the products it offers.
2. Prioritise and promote financing of green projects: currently this is not a specific area for the company but could offer an opportunity through creating incentives for its clientele in the agriculture and housing sectors. For instance, farmers could be charged lower interest rates if they demonstrate certain aspects of conservation/climate smart agriculture. This is in line with the company’s aim to educate its customers on alternative solutions which make their business more resilient.
3. Striking a ‘balance’ between all components of sustainability. That is, sustainability reporting should ideally cover all aspects of sustainability being environmental, social and corporate governance. This could be leveraged through the company’s planned upgrading of the Social and Environmental Management System. The system should be able to provide required ESG information for reporting purposes.

3.1.3 AFINITAS LIMITED

A 2015 pan African investment holding company that provides seed capital and develops new Africa focused businesses made up of some investee companies that include Africa Events Limited (which focuses on investment oriented events); Ethiopia Investments Limited (EIL) (which owns and develops new businesses in Ethiopia) and Adventis Limited (which is an African focused Financial Services Company)\(^{14}\).

The company did not participate in the study and no further information was available as regards the study. This does not suggest that the company is not pursuing any sustainability practices in its operations.

3.2 CATEGORY 2: RETAIL AND WHOLESALING SECTOR

The retail and wholesaling sector operates at the interface between suppliers of goods and services on one hand, and consumers on the other, providing them with a unique opportunity to shape sustainability along the value chain upstream and downstream. Major association-based retail entities such as the United States’ Retail Industry Leaders Association (RILA) and the Centre for Retail Compliance (CRC) advocate for improved performance in sustainability practices that target the supply chain, product attributes and business practices (RILA & CRC Issue brief, undated\(^\text{15}\)). According to the Issue Brief, the sustainability issues in the retail supply chain are thus centred on purchasing policies, supplier training, social compliance, tracing the supply chain, and efficient transportation. The brief purports that product attributes on the other hand focus on product take-back, sale of certified sustainable products, and nutritional content of products. Furthermore, business practices target employee engagement, sustainable innovation, and green buildings. The brief further outlines some specific issues such as energy and carbon reduction, waste generation, water usage, and sustainable ingredients packaging.

The five domestic BSE listed companies in this category are Choppies Enterprise Limited, Sechaba Berewaries Holdings Limited, Sefalana Holdings Company Limited and Olympia Capital Corporation (Botswana) Limited. These are discussed below.

3.2.1 CHOPPIES ENTERPRISES LIMITED

Choppies is a leading supermarket chain established in Botswana in 2006 and later expanded its operations to South Africa, Zimbabwe, Kenya, Zambia and Tanzania\(^\text{16}\). Its retail specialty includes leading international food brands and Fast Moving Consumer Goods (FMCG)\(^\text{17}\).

3.2.1.1 VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT

Choppies endeavours to be the best service provider in sub-Saharan Africa (SSA) for FMCG. The report affirms that the company aims to achieve this by being a strong responsive provider of consumer goods at affordable prices; giving customers the best value for their money; bringing products to semi-urban and rural areas; generating sustainable economic development by supporting local businesses and farmers as well


\(^{17}\) http://choppies.co.bw/our-history
as core value creation in the society; creating new jobs and developing all employees to their highest potential in addition to ensuring proper skills transfer to the local workforce.

3.2.1.2 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM

Environment sustainability

The key sustainability issues (extracted from the company 2016 annual report) under the environment component of sustainability include transportation (which entails a formal transportation efficiency and fleet management system aimed at reducing the company’s carbon footprint); supply chain management (in which environmental performance is one of the factors considered by the company for selecting suppliers); investment in sustainable products and services (comprising waste recycling, use of energy saving lights in stores, use of products that use recyclable packaging, electronic control system for refrigeration, established processes and systems that reduce energy consumption). Examples of sustainability projects implemented by the company include natural resources conservation initiatives, which are achieved through the funding of civil society groups such as the Kalahari Conservation Society.

Social aspects of sustainability

The most prominent social aspects found in the 2016 report and the company website are to do with investment in community social welfare, investment in sustainability projects, human rights and national aspirations. Investment in community social welfare constitutes a number of community development programmes in the areas of health, education and social services. For instance, the company promotes health and wellness by donating wheel chairs, partnering with health associations in cancer prevention as well as advocacy against the use of tobacco and substance abuse. Choppies also invests in education by empowering youth, societies and institutions. Through the ‘A Re Ithuteng Book’ drive, Choppies collects books from the general public and ultimately donates them to schools in Botswana. The retail chain store also provides food stuffs to the underprivileged. Choppies promotes human rights and discrimination through its People Living with Disabilities (PWDs) empowerment policy, which enhances the employment of people with disabilities. The company supports national aspirations such as the Presidential Housing Initiative by providing decent housing to the underprivileged. It also contributes to the invaluable peace and tranquillity of Botswana by supporting national security forces in their operations (e.g. provision of food stuffs). In its bid to enhance food security, Choppies has established strong partnerships with farming communities in Botswana (Tuli Block, Kgatleng) with a view to increasing the production of agricultural produce.

Corporate governance

Corporate Governance at Choppies is flagged by practices which include integration of sustainability issues in the annual reports; employee engagement through a training
programme to raise awareness of environmental issues, incentivising staff to encourage a reduction in wastage and rewarding excellence in the key performance areas such as gross profit, safety, health, environment and stock controls. Supply chain management is also upheld by encouraging suppliers to adopt similar sustainability ethics. The sustainability practices are summarised in figure 4.

Figure 4: Key sustainability practices at Choppies

3.2.1.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

The company has established a Social and Ethics Committee for its operations in South Africa as a listing requirement by the Johannesburg Stock Exchange. By adopting a similar approach in Botswana, the company’s sustainability performance could be boosted. Other practical actions practiced by other leading retail stores globally that Choppies could consider include the incorporation of ‘smart’ packaging that indicates when products (e.g. meat products) spoil or expire thereby allowing the customers to use food products through their full shelf life; reduce waste by requiring customers to bring their own recycled packaging materials i.e. one of their stores could be free of packaging (see United Nations Global Compact (UNGC), 2017)
Sechaba Breweries Holdings Limited (SBHL) is described in its 2016 Annual Report\(^8\) as “an investment company with interests in Kgalagadi Breweries (Pty) Ltd (KBL) and Botswana Breweries (Pty) Ltd (BBL)” (SBHL, 2016,p.3).

### 3.2.2.1 VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT

The annual report clearly states that sustainable development is fundamental to the success of the business. Consequently, the company has recently aligned its environmental, social and community efforts around three core principles as follows: a growing world, where everyone has the opportunity to improve their livelihood; a cleaner world, where natural resources are accessible and safe for all; and a healthier world, where every experience with beer is a positive one, for lives well lived.

### 3.2.2.2 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM

**Sustainable environment**

The SBHL 2016 report states that supply chain management is advanced by investing in local suppliers, that is, sourcing raw materials from local suppliers and encouraging them in turn to source their own raw materials using ethical and responsible practices that promote environmental protection and conservation.

**Social aspects of sustainability**

The company’s 2016 annual report purports that partnerships have been established with relevant stakeholders working in the company’s priority areas. Examples of the partners are government, NGOs, academic institutions and suppliers enabling the company to make a difference in local communities.

**Corporate governance**

SBHL has adopted sustainability reporting in its annual report. The company 2016 annual report asserts that SBHL has adopted SDGs driven by the following pillars: a growing world, a cleaner world and a healthier world. Specifically, the company will pursue its Better World Strategy focusing on SDGs 3 5-8, 12-13 and 17. SBHL has inculcated sustainability in its Policies, Plans and Programs (PPPs) by measuring its sustainable development performance using the Sustainability Assessment Matrix. Nonetheless,

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\(^8\) http://www.bse.co.bw/docs/280617%20Sechaba%20Annual%20Report%202016-compressed.pdf
there are plans to replace it with a more effective system known as AB InBev’s Better World framework. The report further reveals that the company accomplishes disclosure and transparency by acknowledging the social sensitivity of some of its products through the Igalemele Consumer Responsibility Program, which promotes responsible use of alcoholic beverages. The company’s sustainability landscape is summarised in figure 5.

**Figure 5 Key sustainability elements at SBHL**

3.2.2.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

Opportunities for improvement for Sechaba lie in its endeavour to measure its sustainability performance. This will provide the company with information on the gaps for continuous improvement.

3.2.3 SEFALANA HOLDINGS COMPANY LIMITED

Sefalana Holdings Company Limited (SHCL)’s 2016 Annual Report\(^{19}\) describes the company as the only domestic BSE listed company without a controlling shareholder

\(^{19}\) http://www.bse.co.bw/docs/031017%20Sefalana%20Annual%20Report%202017_BSE.pdf
that does business in Fast Moving Consumer Goods (FMCG), property investment, motor dealership, industrial and agricultural equipment, granary and a milk plant supplying the Delta Fresh Milk brand across Botswana.

3.2.3.1 VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT

SHCL aspires to be “the leading brand of choice for customers, employees and capital.”20 The company's mission is, therefore, to exceed its customer expectations through provision of a pleasant and affordable experience in FMCG, Manufacturing, Automotive, and Property, served by highly motivated and empowered staff, delivering superior shareholder value that exhibits profitability and sustainability. As such, the values embraced by the company include commitment, accountability, excellence, transparency, integrity, responsibility, innovation and Botho21. The SHCL 2017 report describes the Group’s sustainable development practice as anchored on responsible conduct, maintaining ethical supply chain management, compliance and good corporate governance; developing human capital; promoting conservation and eco-friendliness; and giving back to the community.

3.2.3.2 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM

Sustainable environment

Sustainability is incorporated into the design of the company's products or services, their manufacture or delivery, and the minimisation of waste and pollution. SHCL has invested in sustainable products and services such as rain water harvesting (a reservoir has been constructed at the Head office and the water collected is used to wash company vehicles and other amenities); use of energy saving lights to reduce carbon emission at the Head Office.

Social aspects of sustainability

Through its CSR board committee, Sefalana supports various community projects and activities focusing on developing the youth, supporting local education, promoting health and wellness to employees and society, and developing human capital. Examples include donation of laptops, computers and related equipment to the University of Botswana Disability Support Services IT laboratory, construction of a new laboratory for visually impaired students, support to breast cancer awareness campaigns and principal sponsor for the Diacore Gaborone City Marathon.

20 www.sefalana.com

21 Humanness/philosophy that promotes the wellbeing of society for the benefit of all
Corporategovernance

Sefalana exercises ownership of the sustainability practices and principles at board level and this has resulted in the creation of a CSR Board committee which according to the annual report, ensures that the company supports and invests in the wellbeing of the economy, society and the natural environment. SHCL has established teams that champion, among others, sustainability practices and employee awareness/education as illustrated in the efforts by staff to reduce the use of paper, while promoting the use of e-environment (reduction of printing). Sustainability reporting forms are part of the CSR report. Figure 6 summarises the key sustainability practices at Sefalana.

Figure 6: SHCL key sustainability practices

3.2.3.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

Sefalana’s sustainability practices have enhanced its brand image, increased productivity of employees through the development of human capital, promoted adherence to best practice, and reduced wastage throughout the group business activities. This realisation could be leveraged through:

1. Measurement of carbon foot print: The company is currently assessing various methodologies in measuring the carbon footprint of its operations, products, and supply chain.
2. The company has rolled out the use of solar power in its operations in Namibia. These could be extended to all countries in which the company operates, including Botswana.

3. Reporting: currently the company’s sustainability reporting is an integral part of the CSR. This could be improved by interrogating global standards on sustainability reporting and aligning its operations, accordingly.

3.2.4 FURNMART LIMITED

Furnmart Limited retail offering entails domestic furniture and electrical appliances. Its stores are in Botswana, South Africa, Namibia and Zambia.

3.2.4.1 VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT

According to the company 2016 Annual Report\(^{22}\), the company strives to be the market leader in retailing ‘value for money’ furniture and electrical appliances by offering service excellence to all its partners, customers, staff, suppliers and shareholders; valuing people and helping them to become the best; constantly adapting to market needs and opportunities; and working as a team and encouraging the free flow of information and ideas.

3.2.4.2 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM

The report did not highlight any of the issues in line with the reference list used for this study. The company did not respond to the questionnaire. This does not suggest that the company is not pursuing any sustainability practices in its operations.

3.2.4.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

The role of the retail sector in the achievement of SDGs cannot be overemphasised. A possible starting point for Furnmart Limited would be the inclusion of a sustainability component in its annual reports as this would assist the company to build a strategic focus on sustainability.

\(^{22}\) http://www.bse.co.bw/docs/211216-Furnmart%20Annual%20Report%202016.pdf
3.2.5 OLYMPIA CAPITAL CORPORATION (BOTSWANA) LIMITED

Listed in the BSE venture capital board and a subsidiary of the Kenya based Olympia Capital Holdings Limited, Olympia Capital Corporation (Botswana) Limited is an investment holding company in the building material industry in Southern Africa\textsuperscript{23}.

The company did not participate in the survey and the 2011 Annual Report available online was considered outdated for consideration in the current profiling exercise. This is because the report might provide misleading information about the company’s current status regarding its sustainability agenda. This does not suggest that the company is not pursuing any sustainability practices in its operations.

\textsuperscript{23}http://www.bse.co.bw/listed_companies/listed.php?company=OLYMPIA
3.3 CATEGORY 3: PROPERTY AND PROPERTY TRUST SECTOR

At the global scale, the property industry continues to fulfil its role of environmental protection as entrenched in the sustainable development agenda. Among others, the trend is influenced by stringent laws enacted by various national governments on buildings and natural environment conservation; demand for indirect sustainable property investments by property fund managers; and the desire by prospective tenants to acquire sustainable and energy efficient buildings\(^\text{24}\). Examples of sustainability practices that the sector may apply include designing and managing business parks around natural features to preserve natural ecosystems; investing in the protection of cultural and natural heritage; designing buildings that are adaptable to different uses using technologies to make the buildings energy (UNGC, 2017).

The six BSE-listed domestic companies that fall under this category are presented below. These are: Turnstar Holdings Limited, RDC Properties Limited, PrimeTime Property Holdings Limited, Letlole La Rona Limited, New African properties Limited, The Far Property Company Limited.

### 3.3.1 PRIMETIME PROPERTY HOLDINGS LIMITED

Prime Time Property Holdings (PPHL) is a variable loan stock company with a diversified portfolio comprising office, retail and industrial properties in Botswana and Zambia\(^\text{25}\).

#### 3.3.1.1 VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT

The company website indicates that it has adopted a risk diversification policy whereby it seeks investments outside the borders of Botswana. Other information relevant for this section was not available.

#### 3.3.1.2 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM

The company’s sustainability practices as highlighted in the questionnaire survey response are discussed below:

\(^{24}\) [https://epub.uni-regensburg.de/29437/6/61.pdf](https://epub.uni-regensburg.de/29437/6/61.pdf)

\(^{25}\) [https://www.primetime.co.bw/about-prime-time.html](https://www.primetime.co.bw/about-prime-time.html)
Sustainable environment

The company pursues investment in sustainable products and services through waste separation, water efficiency, recycling, etc. Aiming for certification in good sustainability practice, the company is in the process of acquiring Green Building Accreditation from a South African accreditation body.

Social aspects of sustainability

The company engages in community partnerships through charity work and donations. It has also invested in community social welfare by establishing two outdoor gymnasiums in Gaborone.

Corporate governance

In addition to PPHL subscribing to the Green Building Accreditation concept discussed in the environment subsection, the company also demonstrates ownership of sustainability principles by subjecting its developers to undergo the accreditation process. Figure 7 summarises sustainability practices observed at PPHL.

Figure 7 PPHL Sustainability Practices
3.3.1.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

The sustainability niche for PPHL is anchored in its green building accreditation endeavour. Accreditation would reinforce the company’s sustainability practices to enable it to assume the role of a sustainability champion in the property sector. Engaging with the Botswana Green Building Council launched in 2016 could go a long way in strengthening the national sustainability focus of the property sector because other companies in the sector would eventually strive to align with this lofty initiative.

3.3.2 RDC PROPERTIES LIMITED (RDC)

RDC Properties Limited (RDC) is described on its website as a developer and property investment company which was restructured as a variable rate loan stock business in 1996.

3.3.2.1 VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT

Based on the results of the questionnaire survey, the company endeavours to be a developer and investor in prime properties, contributing to the improvement of the quality of life in developing communities of Botswana. This is to be achieved by the creation of long term value to linked unit holders through quality buildings, growth in rental income, capital appreciation and sales of properties; achievement of above Botswana’s market returns; and creation of partnerships with customers and landowners.

3.3.2.2 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM

The RDC engage in the following sustainability practices as outlined in the survey response.

Environmental sustainability

RDC has adopted the Botswana eco-certification system for its hospitality property. Its ecotourism lodge (Chobe Marina Lodge) is “green” certified by the Botswana Tourism Organisation (BTO). The company invests in sustainable products and services by practising in-house water conservation (water harvesting, efficient toilet flushing facilities, watering gardens with grey water); energy efficient mechanisms (installation of led lighting, use of power saving cards in the hospitality property, planned renewable energy supplies); sustainable materials (use of renewable materials); and waste


27http://rdcbw.com/
management (separation of waste for recycling purposes i.e. kitchen oil, paper and glass, and contracting certified waste removal companies).

**Social aspects of sustainability**

The RDC invests in community welfare through employment creation, training/education as well as lifestyle and healthy living coaching. The company has 'adopted' the Ngwapa Primary School in Tuli Block and supports it in terms of developing and maintaining some of the school blocks and play ground; sponsoring prize giving ceremonies where best performing pupils are recognised; providing computers and internet connectivity; sponsoring school trips and sports jerseys. Also, RDC sponsors an annual Christmas party at SehURE Primary Hospital as well as donates hampers for the new born babies. Partnerships with communities are observed through the Masa Centre food and clothing charity campaign in which proceeds, food hampers and clothing are donated to the Mother Pontsho Foundation in Mopane village; student work placement (University of Botswana, Botswana Accountancy College, Botho University, Chobe Brigades, and Maun and Francistown Technical Colleges). The company invests in employee welfare through training, career guidance and professional growth planning.

**Corporate governance**

The company has shown ownership of the sustainability drive by appointing a senior executive to be in charge of sustainability in September 2017. The executive officer is responsible for sustainability matters especially for the tourism and hospitality entities of the company. This initiative is envisaged to strengthen sustainability reporting in the company. Employee engagement on sustainability issues is observed by encouraging them to participate in civic and environmental initiatives, which take place throughout the year either as part of their job descriptions or Corporate Social Responsibility (CSR) programmes. Employees are also encouraged to apply their expertise and share sustainability information with clients, tenants and tourists. The RDC shows ownership of sustainability practices by participating in as well as contributing to national sustainability processes and programmes such as the Gaborone Declaration for Sustainability in Africa (GDSA) and the Wealth Accounting and Valuation of Ecosystems Services (WAVES).

The key sustainability practices are summarised in figure 8.
3.3.2.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

There is always a need to create opportunities for enhancing improvement in any active company’s operations and activities. The portfolio of the senior executive could be broadened to property development and investment as a whole and not only for the hospitality/tourism aspect of the company. This could place the company on the right pedestal for becoming the sustainability champion in the property sector.

3.3.3 LETLOLE LA RONA LIMITED

Letlole La Rona Limited (LLRL) 2016 Annual Report describes the company as a property investment firm and the portfolio comprises industrial, retail, office, leisure and residential space.

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28 http://www.bse.co.bw/docs/211116%20LLR%202016%20Annual%20Report.pdf
3.3.3.1 LETLOLE VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT

According to the report, the company is envisioned to be the premier real estate company in selected markets in Africa. Its mission is, therefore, to prudently invest in real estate and real estate instruments that create a quality, balanced and diversified property portfolio for optimum returns. The report further outlines the company's values as integrity, innovation, agility, customer focus and excellence.

3.3.3.2 KEY ELEMENTS OF THE COMPANY'S SUSTAINABILITY PROGRAM

The company did not respond to the questionnaire, which addresses the ‘sustainability program’ component. Also, an evaluation of its report did not reveal any practices in line with the sustainability reference list developed for this study. This does not suggest that the company does not perform any sustainability practices.

3.3.3.3 POTENTIAL NEEDS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

The company’s point of entry could be to adopt a sustainable development goal on which it intends to focus. More importantly, opportunities for the property industry lie mostly in energy and resource consumption, greenhouse gas emission reduction, and environmental conservation (Schulte et al., 2012).

3.3.4 NEW AFRICAN PROPERTY LIMITED

The 2016 annual report for New African Property Limited (NAPL) describes it as a public variable rate loan stock29 company which owns retail properties in prime shopping nodes in Botswana and Namibia for purposes of investment30.

3.3.4.1 VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT

Relevant information meant for this section was not available on available secondary information.

29 shares which can be used as collateral to secure a loan

3.3.4.2 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM
The company did not respond to the questionnaire addressing the ‘sustainability program’ component. The company’s evaluation report also did not reveal any practices in line with the reference list developed for this study. This does not suggest that sustainability does not form part of the company’s operations.

3.3.4.3 POTENTIAL NEEDS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS
Similarly, the company could explore the opportunities, which are most relevant to the property industry such as energy and resource consumption, greenhouse gas emission reduction, and environmental conservation (Schulte et al., 2012).

3.3.5 THE FAR PROPERTY COMPANY LIMITED
The Far Property Company Limited (FPC) 2016 Annual Report states that the business is a variable rate loan stock company. Although mainly retail-based, the company specialises in property and asset management with a diversified portfolio.

3.3.5.1 VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT
The report indicates that the FPC was established to meet the growing space needs for the Choppies Group especially in countries where land/property ownership is a requirement.

3.3.5.2 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM
The company did not respond to the questionnaire meant to elicit information on the sustainability program component of its activities. There was also no secondary information found on this crucial aspect. This does not suggest that the company does not have sustainability practices in place.

3.3.5.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS
The Choppies group is doing considerably well in terms of sustainability in the retail sector. Given that the FPC was established to meet the group’s needs, and where some of the board members are the same for the two companies, there is hope the company will find its footing in the property sector with respect to taking the lead in sustainability issues over time. Like other companies in the sector, its strength lies in

31 http://www.bse.co.bw/docs/101116%20FAR%20Property%20Annual%20Report%202016.pdf
the opportunities most relevant to the property industry such as energy and resource consumption, greenhouse gas emission reduction, and environmental conservation (Schulte et al., 2012).

3.3.6 TURNSTAR HOLDINGS LIMITED

Turnstar Holdings Limited (THL) is a property investment company (see company Annual Report32).

3.3.6.1 VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT

There was no secondary information found in this regards and the company did not participate in the survey.

3.3.6.2 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM

As already highlighted, there was no secondary information provided on the company's website in relation to the sustainability practices adopted for the study and the company did not participate in the survey. This does not suggest that the fact that the company does not engage in any sustainability program.

3.3.6.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS.

Like other similar companies, THL could set goals aimed at relevant SDGs and incorporate them into the overall company strategy.

3.4 CATEGORY 4: BANKING SECTOR

A sustainable bank is “one that not only understands and manages the risks that arise because of sustainability issues, but also perceives the strategic dimension of these issues. This means thinking ahead about business implications and opportunities brought by the increasingly pervasive environmental, social and developmental challenges of our time” (UNEP, 2016: ii). Due to their lending and investment activities, banks are uniquely positioned to facilitate sustainable development. For example, private financing provides an array of avenues that direct investment towards mitigation and adaptation projects taking into account the fact that green initiatives for addressing climate change are a priority all over the world (SSE, 2015). Banks can also support the global sustainability agenda by managing environmental and social risks related to lending activities (e.g. having commitments pertaining to environmental and social issues in lending agreements and ensuring that investors comply with all national environmental and social laws and regulations); managing the impact of the banks’ internal activities (e.g. formulating actions to reduce carbon footprint and resource consumption); stakeholder engagement and communication (e.g. on issues involving financing and sustainability); capacity improvement such as training packages on sustainable banking issues (Türkiye Bankalar Birligi, 2014). Other examples of sustainability practices executed by banks globally include issuance of green bonds to finance sustainable infrastructure in developing countries; partnerships with government to select projects based on criteria that include climate resilient design and inclusive service delivery; offering mortgage packages at reduced costs tailored to new-build homes and offices that have high energy efficiency performance; provision of green finance which includes green project bonds, green asset-backed securities, and philanthropic funds that act as catalytic first-loss capital to promote investment in energy access; and setting up a department specialising in environmental finance (UNGC, 2017).

Barclays Bank of Botswana Limited, First National Bank Botswana Limited and Standard Chartered Botswana Limited are the three commercial banks listed under the BSE that fall under this category and are discussed.

3.4.1 BARCLAYS BANK BOTSWANA LIMITED

Barclays Bank Botswana Limited (BBBL) is a leading financial services provider that offers retail banking services in the form of transaction banking solutions, savings and investment, foreign exchange and lending, among others (BBBL, 2016).

3.4.1.1 VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT.

The bank aims to be the bank of choice by assisting people to achieve their ambitions in the right way. It upholds the values of respect, integrity, service, excellence and
stewardship. The bank is committed to contribute to sustainable development of the communities in which it operates (BBBL, 2016).

3.4.1.2 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM

The findings of the field survey conducted and the Barclays Bank of Botswana Citizenship Report of 2015/2016 outline the bank’s sustainability practices as discussed below.

*Environmental sustainability*

The bank invests in sustainable products and services (energy and water efficiency mechanisms, and waste separation like paper, cans and plastic for recycling); innovation (paper-less baking), buildings and facilities (its headquarters is housed in a green building which has sensors attached to all the lights and water taps to ensure efficient use of electricity and water). BBBL also invests in sustainability projects through its Rhino Debit Card initiative of which the proceeds are used in environmental conservation. A typical example of such Barclays’ activities is reflected in the provision of grants to environmental entities. The Youth Development and Rhino Conservation Project provides youth with game ranging skills thereby positioning them for employment opportunities in animal and rhino conservation. Furthermore, BBBL engages its employees in voluntary clean up campaigns and tree planting activities.

*Social elements of sustainability*

The bank invests in community social welfare through women empowerment, education and skills development. For example, the bank has an initiative known as ‘Ready to Work’ where young people in Ba Isago University, Construction Industry Trust Fund, and Botho University are trained either for paid employment or entrepreneurship. BBBL also sponsors the Botswana Youth Jobs Fair. Through the Tweede project, the company empowers young people in Ngamiland District with financial management skills and facilitates employment as well as internship placement opportunities. The F.G. Mogae Scholarship, which the bank awards, has provided post graduate training for young Batswana and some of the beneficiaries include employees of the bank. The bank also undertakes women empowerment through the Grass Roots Growing Our Wealth (GROW) project. Through the project, women are capacitated in financial literacy specifically saving, leadership and entrepreneurial skills. The main aim of the initiative is to lift women out of poverty. Thus, Barclays engages in community partnerships in order to contribute to poverty alleviation. The company has partnered with Project Concern International (PCI) to improve the socio-economic status of disadvantaged communities especially the youth. The Sir Ketumile Masire Foundation is another Barclays’ partnership initiative in which the youth are empowered with funding for skills training. Together with Skillshare International, Barclays has, among others,
imparted skills in sports coaching to young people through the Game Changers Programme. In a bid to ensure that more people are able to understand money matters, Barclays and Maitisong Theatre produced a radio drama program popularly nicknamed Pula Money Matters (also known locally as *Madi Majwana*, meaning stories from your pocket) as part of the bank’s financial literacy outreach.

**Corporate governance**

Even though the bank has not identified a specific SDG as part of its sustainability program, it has consciously made sustainable development part of its strategic focus. The bank has in the past partnered with Government of Botswana and UNDP to be part of the Global Sustainable Finance Conference (at Managing Director level). Still in collaboration with the government and UNDP, Barclays co-organised Botswana’s first Sustainable Finance Symposium, from which this initiative was born.

The sustainability practices are summarised in figure 9

![Figure 9: BBBL sustainability practices.](image-url)
3.4.1.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

Commercial banks can pursue the sustainability agenda through their financing mechanisms. For instance, Barclays’ lending and investment packages could be tied to sustainability incentives such as low interest rates for green buildings. The bank could also explore how the Rhino Debit card can be strengthened to benefit environmental conservation even more. Additionally, its theatrical production could be extended beyond financial literacy to raising awareness on investing in sustainable projects e.g. conservation agriculture.

3.4.2 FIRST NATIONAL BANK BOTSWANA LIMITED

First National Bank Botswana Limited (FNBB) Annual Report of 2017 refers to it as a wholly owned subsidiary of First National Bank Holdings (Botswana)33. WesBank and RMB Botswana are part of the bank’s divisions.

3.4.2.1 VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT

Based on the available information on the FNBB website34, the bank envisions to be “the Bank of choice delivering innovative solutions and a superior customer experience”. The bank’s strategic focus for service delivery is anchored on the brand promise “How can we help you?” The research findings outline FNBB values as helpfulness, effectiveness, ethical, innovation, and accountability.

3.4.2.2 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM

The report as well as findings from the survey outlines the following sustainability practices adopted by the bank:

Environmental sustainability

In support of environmentally sustainable buildings and facilities, the FNBB has invested in construction of eco-friendly building in Rankoromane. To facilitate waste paper reduction, the bank adopts an e-migration strategy called “Bricks to Clicks” aimed at large scale digital banking through platforms such as cell phone banking, online banking and ATM usage for various transactions. These platforms allow customers to

33 http://www.bse.co.bw/docs/041017%20FNBB%202017%20Annual%20Report.pdf
34 https://www.fnbbotswana.co.bw/about-us/aboutUs.html
engage in prepaid transactions for telephony and electricity bills as well as sending and receiving money. First Place (that is, FNBB head office) operates on motion sensor lights to promote energy efficiency while water efficiency is supported through watering gardens with grey water.

Social aspects of sustainability

The FNBB Corporate Social Investment (CSI) activities are driven by the FNB Foundation. The foundation invests in sustainability projects such as the Bontleng Futsal Park, an eco-friendly park in Gaborone comprising an all-in-one sport court and a garden that promotes conservation agriculture and aquaponics, and a recycling centre. The green park was built using recycled materials and has been furnished with solar panels and rain water harvesting points. The park operates under the Pula Sport Development Association, a Non-Governmental Organisation (NGO), which has the objective of bringing sporting facilities to low income communities. The bank has converted a dumping site into a recreation park (First Park) for use by the community in Tawana location, Gaborone. Investment in employee/community social welfare is another area for social sustainability practise at FNBB. This is realised through scholarships for permanent employees and funding NGOs that support community health. An example is the Hope World Wide Botswana, which deals on HIV-related issues and the Tshidilo Stimulation Centre offering rehabilitation, stimulation, social services and wellness to children living with disabilities.

Corporate governance

The assessment conducted did not identify any vital information in line with the sustainability reference list adopted for the study in relation to this component. The other sustainability practices are summarised in figure 10.
3.4.2.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

The FNBB already has a basis which could be leveraged in pursuit of sustainable banking. The agriculture and commercial property finance product housed under FNBB business segment (FNBB, 2017) are potential areas for green financing. According to the 2017 report, the bank has established a Premia Training Academy for which courses are still being developed. This offers an opportunity to integrate sustainability/sustainable banking into the training courses. The company plans extend the installation of motion sensor lights to its branches.

3.4.3 STANDARD CHARTERED BANK BOTSWANA LIMITED

Standard Chartered Bank Botswana Limited (SCBB) is the oldest bank in the country having first opened for business in 1897 in Francistown and becoming locally incorporated in 1975 with a full board (SCBB, 2016).

3.4.3.1 VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT

SCBB strives to be the world’s best bank operating under the brand “Here for good” for the benefit of Botswana corporates, individual depositors and multi-nationals (SCBB, 2016). The 2016 Annual Report (p.13) further stipulates that the bank collaborates with its clients and partners “to promote social and economic development by financing key
sectors of the economy that drive sustainable growth, minimising the impact of our lending and operations on the environment and investing in our communities”. The bank’s commitment to sustainability is also demonstrated by the adoption of eleven sustainability aspirations in 2016, which showcase how the bank’s financing mechanisms contribute to sustainable development (SCBB, 2016). According to the report, the sustainability aspirations are aimed at reducing the environmental impacts emanating from the bank’s operations as well as to support local community programs. At global level, SCBB has 20 position statements which guide its financial services to clients who operate in sensitive business sectors of agribusiness; chemicals and manufacturing; dams and hydro power; forestry; gambling; infrastructure; nuclear power; palm oil; ship breaking; transport; biofuels; climate change; fisheries; fossil fuelled power generation; human rights; mining and metals, oil and gas; renewable energy; tobacco; and water35.

3.4.3.2 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM

The report highlights the following ESG issues by the bank:

**Environmental Sustainability**

Based on the 2016 report, the bank achieved reduced energy and water consumption globally. It is, however, not clear from the report as to how much of this takes place in Botswana.

**Social aspects of sustainability**

SCBB invests in community partnerships, community and staff welfare, and national aspirations. The report outlines the following in line with the aforementioned reference sustainability practices. The bank in partnership with the Portable Eye Examination Kit (PEEK) Vision Botswana project screens 12,877 school children for visual impairment using a mobile app technology; offers financial training to young people, entrepreneurs and women through the Bank’s Financial Education Programmes; trains employees through the Learning Academy; empowers low income business women with a view to achieving financial inclusiveness; trains staff on personal financial literacy and provides them with oranges in winter to boost their immune system against the common cold; collaborates with NGOs in HIV/AIDS education among students at secondary school level in order to effect behavioural change; uses its Education Trust to ensure that extra-ordinary individuals and projects that have the potential to transform the country’s economy are given bursaries; and participates in the government’s ‘adopt a

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school’ program where learners have been imparted with leadership and entrepreneurial skills.

**Corporate governance**

The bank has adopted Sustainable Development in its operations and its leadership has demonstrated ownership of the sustainability agenda by establishing the 11 sustainability aspirations, which according to the report, are to be embedded in the company policies, plans and programs in 2017. Figure 11 summarises the sustainability practices.

![Diagram showing sustainability practices](image)

**Figure 10: SCBB sustainability practices**

### 3.4.3.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

The sustainability aspirations developed by the bank in 2016 for implementation in 2017 are the hallmark of the company’s sustainability program and are an opportunity for the bank to be a champion in sustainable banking (assuming it addresses all aspects of sustainability).
3.5 CATEGORY 5: SECURITY SERVICES SECTOR

Poverty and deprivation often lead to conflict, crime, violence, and extremism, hence sustainable development is seen as pivotal to long-term stability and security\(^\text{36}\). The Oxford Research Group has identified four emerging trends which are likely to lead to global and regional instability and loss of human life\(^\text{37}\). These are climate change (engendering civil unrest stemming from loss of infrastructure, resource scarcity and mass displacement of people); competition over scarce resources such as food, water and energy; marginalisation of the poor majority (increasing socio economic inequalities); and global militarisation (increasing use of military force as a security measure). The inability of national governments to provide the required security for lives and property in many geo-political climes as a result of dwindling resources warrants the need for private individuals to fill the gap. Private security companies thus provide security for lives and property, making their role in sustainable development very paramount. The only Security Company listed with the BSE, G4S, is discussed in this category:

3.5.1 G4S BOTSWANA LIMITED

G4S is described as the security solutions group specialising in outsourcing of business processes in sectors (such as in governments, corporations, private companies, embassies, parastatals and non-governmental organisations) where security and safety risks are considered a strategic threat (G4S, 2016). The services include manned and electronic security; cash management solutions (transportation and storage of cash and valuables, cash counting, cash processing as well as ATM replenishment and maintenance); and facilities management (cleaning, utility and maintenance services).

3.5.2 VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT

Based on the company 2016 Annual Report, G4S’s mission is to create sustainable value for its customers and shareholders as the supply partner of choice by upholding integrity, respect, safety, security, service excellence, innovation and team work.

3.5.2.1 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM


\(^{37}\) http://www.oxfordresearchgroup.org.uk/ssp
The company did not participate in the field survey exercise conducted to elicit pertinent information on the activities of listed companies. Neither did the company report reveal any sustainability practices for the environment and corporate governance components of sustainability. However, the social sustainability elements identified during the review of the report are discussed below:

**Environment sustainability**

The assessment conducted did not identify any vital information in line with the sustainability reference list adopted for the study in relation to this component.

**Social aspects of sustainability**

G4S fulfils its responsibilities on human rights by subscribing to the 2011 United Nations Guiding Principles on Business and Human Rights (G4S, 2016). The report further states that the company provides on-going training for its employees and by that means invests in employee social welfare. Social welfare is also extended to the community through a newsletter aimed at raising awareness on crime trends, patterns and ‘hotspot’ areas as well as provides safety tips to customers. In the same vein, G4S invests in community education by supporting prize giving ceremonies and improving primary school library space for the purpose of creating a conducive learning environment for younger learners. The company engages in some community partnerships where time is set aside for community projects. The Bhubesri Pride provides an example of such partnerships, where rugby sport development (training skills, resources and equipment) targeting children and teaching staff is implemented in nine countries, including Botswana. The same partnership is extended under the Legacy Project where the company invests in the provision of a secured and conducive learning environment at Tshwaragano Primary School in Gaborone.

**Corporate governance**

The assessment conducted did not identify any vital information in line with the sustainability reference list adopted for the study in relation to this component.

The identified sustainability practices for the social dimensions of sustainability are summarised in figure 12 below:
3.5.1.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

Assessing the company report, G4S commitment to sustainability is adjudged to be skewed towards the social component of ESG ethos. Nonetheless, there are opportunities in the environment and corporate governance components. For instance, G4S could capitalise on supply chain management through its facilities management services by ensuring that their cleaning chemicals suppliers comply with sustainability standards among others. The security company could widen its scope of awareness creation on security issues through popular advocacy and publicity, which take into consideration the needs and aspirations of the non-literate members of the public.

Figure 12: G4s sustainability practices

Social
- Community education & training
- Sport development
- Employee training
3.6 CATEGORY 6: TOURISM SECTOR

Globally, the tourism sector is one of the sectors that have positioned themselves in the sustainability domain. According to the United Nations World Tourism Organisation (UNWTO) and Global Compact Network Spain (GCNS) (2016), tourism contributes directly and indirectly to goals 8, 12, and 14 of the SDGs as depicted in table 4.

Table 5: Tourism and sustainable development goals

<table>
<thead>
<tr>
<th>Goal</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal 8: Decent work and economic growth</td>
<td>Target 8.9: By 2030 devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products</td>
</tr>
<tr>
<td>Goal 12: Responsible consumption and production patterns</td>
<td>Target 12b: Develop and implement tools to monitor sustainable development impacts for sustainable tourism which creates jobs, promotes local culture and products</td>
</tr>
<tr>
<td>Goal 14: Life below water</td>
<td>Target 14.7: By 2030 increase the economic benefits of SIDS and LDCs from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism.</td>
</tr>
</tbody>
</table>

Adapted from UNWTO & GCNS (2016)

The three tourism companies listed with the BSE are Cresta Marakanelo Limited, Chobe Holdings Services, and Wilderness Holdings Limited are discussed below.

3.6.1 CHOBE HOLDINGS LIMITED (CHL)

According to the Chobe Holdings Limited (CHL) 2017 Annual Report, the company's focus is on photographic safari operations and related supporting businesses. Its wholly owned subsidiaries comprise eleven eco-tourism lodges and camps in northern Botswana and the Caprivi Strip in Namibia.
3.6.1.1 VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT

No information pertaining to the subject matter was found on the company website and report. The company did not participate in the survey.

3.6.1.2 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM

Following the reference sustainability practices developed for this study, the sustainability practices that were identified in the report fall only in the social sustainability pillar.

Social aspects of sustainability

CHL invests in community social welfare and sustainability projects, as well as supports national aspirations. The company provides bursaries for Tourism and Hospitality degree programs as well as short term training/attachments in the food and beverage departments of Chobe Game Lodge. The company also offers financial assistance to craft producers, various NGOs dealing with children and women, and conservation activities/programs. In support of the ‘adopt a school’ government initiative, CHL supports selected schools by providing them with uniforms, stationery and student bags, incentives for high flyers, prizes, revision books, refurbishment/maintenance of desks, tourism and conservation getaways/excursions for students, and student wildlife/game experiences. Figure 13 summarises the sustainability practices observed at CHL.

Social

- Tourism and conservation excursions for student
- Provision of school supplies for students
- Provision of incentives for student high flyers
- Sports development
- Training /attachments in company food and beverage departments

Figure 13: CHL sustainability practices
3.6.1.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

International organisations have already provided guidance on the tourism sector’s position in relation to the SDGs as discussed under 3.6. CHL could adopt an SDG to focus on. The company could also consider sustainability reporting.

3.6.2 CRESTA MARAKANELO LIMITED

Cresta Marakanelo Limited (CML) is a holding company founded in 1987 and engages in the operation of hotels as well as provision of hotel services to business travellers.

3.6.2.1 VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT

Based on the survey findings and company’s 2016 Annual Report, CML endeavours to create memorable hospitality experiences by offering excellent services that typify the African experience. Hence the company upholds people-centred values, which include respect, dignity, integrity, honesty and passion.

3.6.2.2 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM

The company sustainability practices are discussed below.

Environmental sustainability

CML invests in sustainable products and services in the form of in-house water conservation (through save water campaigns, water recycling, promotion of showers instead of bath tubs); energy efficiency (through the use of energy efficient light bulbs, sensor electric appliances); and waste management (through waste separation; waste bin colour coding, safe disposal of used oil and chemicals). The company’s commitment to environmental sustainability is depicted in the company's statement that:

“We will be sensitive to the conservation of environmentally protected or threatened areas, species and scenic aesthetics. We shall also aim to achieve the enhancement of the landscape, wherever possible, by means of indigenous plant material reinforcement.” (CML, 2016, p. 29)

38http://www.4-traders.com/CRESTA-MARAKANELO-LTD-20707132/company/

Social aspects of sustainability

The survey findings and report revealed that CML invests in community and employee social welfare. For instance, the employees enjoy benevolent funds, study loans, inter-country sporting activities among others. Communities are given priority where possible in supplying the company’s hotels with traditional food stuffs, locally designed fabrics, handicrafts, sculptures and artworks as well as crafts used for decoration and stocking hotel gift shops. The company also promotes national aspirations of poverty eradication through the provision of shelter and food to the less privileged.

Corporate governance

The company’s report has a section that addresses specifically its sustainability agenda. Furthermore, the management has demonstrated the company’s ownership of sustainability principles by integrating environmental performance into the operational objectives of general managers and other managerial staff. CML Management also engages and regulates its supply chain in order to minimise negative environmental impact of the suppliers’ activities. The sustainability practices are summarised in figure 14.

![Figure 14: CML sustainability practices](image)

3.6.2.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

Even though the company has a component of sustainability in its annual reporting, it does not cover all dimensions of sustainability. The company could broaden the scope of
its current activities to cover all aspects of sustainability especially environmental sustainability which is currently covered under the CSR section. For food and crafts sourced from the community, the company could invest in helping communities to source the raw materials in a sustainable manner.

3.6.3 WILDERNESS HOLDINGS LIMITED

Wilderness Holdings Limited (WHL) 2017 Annual Report posits that the business, which trades in travel (comprising safari camps, lodges and mobile explorations), was established in Botswana in 1983.

3.6.3.1 VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT

The vision for WHL is “to conserve and restore Africa's wilderness and wildlife by creating life-changing journeys and inspiring positive action” (WHL, 2017: p. 8). The report states that the company’s moral compass and framework for decision-making and day-to-day operations is driven by the values of leadership, respect, fun and dedication. In addition, the company’s blueprint recognises sustainability holistically as shown by its commitment to commerce, community, culture and conservation, all of which are referred to as the 4Cs.

3.6.3.2 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM

With reference to the reference sustainability practices guiding the study, the sustainability practice prevailing at WHL are discussed below.

*Environmental Sustainability*

The WHL report outlines that the company observes environmental sustainability practices related to architectural buildings and investment in sustainable products and services. New camps are subjected to lessons learnt from existing establishments in order to reduce negative environmental impacts. Furthermore new camp developments undergo EIA in accordance with the law. The company invests in sustainable products and services such as the use of solar energy and refinement of flight circuits (in order to reduce its carbon footprint); and low-pressure systems for water efficiency. The company has also installed on-site water purification systems in order to reduce use of bottled water and this gesture contributes to water efficiency as well reduction of carbon footprint associated with the production of bottles and their delivery from source to its camps.
**Social dimension of sustainability**

The company invests in employee social welfare through training and development; part of the training is virtual via the Lobster Ink platform for both generic and company tailored made hospitality courses. It has also put in place strategies for gender balance even though the target is yet to be met. Furthermore, the company provides staff with mobile health care, telemedicine facilities as well as preventative health care for those in remote areas. WHL engages in community partnerships and development projects aimed at conservation and tourism benefit sharing; poverty reduction; human wellbeing and empowerment. Examples highlighted in the report include improvement of school infrastructure, establishment of Eco-Clubs, provision of scholarships, nutrition programmes and the promotion of small community businesses. Most of these are achieved through the Children in the Wilderness (CITW) initiative. The company also invests in sustainability projects, which address anti-poaching, vegetation rehabilitation, reintroduction of indigenous species and/or research. Others include those led by NGOs and partners.

**Corporate governance**

WHL has adopted sustainable development in its operations by linking its 4Cs with the SDGs. See figure 15.

![Figure 15: The 4Cs and SDGs. (adapted from WHL (2017))](image-url)
The company thus integrates sustainability in its Policies Plans and Programmes (PPPs) and reporting systems. It demonstrates the ownership of sustainability principles through its fully-fledged sustainability office structure comprising four coordinators (one for each of the 4Cs) who receive technical direction from a Group Sustainability Manager who in turn is guided by a Chief Sustainability Officer while reporting to the Chief Operating Officer. Sustainability issues are also dealt with by the Social, Ethics and Sustainability Committee under the board of directors (WHL, 2017). The report further affirms that the company’s Integrated Report was recognised as 8th best in the world at the 2016 Corporate Register Reporting Awards. The company has established a team (known as Brand Champions), which more or less facilitates sustainability within WHL. The team’s primary function is to inculcate the company’s purpose and values (which are mainly anchored on sustainability) into other employees in order to improve employee engagement; retention and attraction of top talent; and influence company financial performance (see WHL, 2017). Figure 16 summarises the sustainability practices observed at WHL.

![Figure 16: WHL sustainability practices](image)

3.6.3.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

WHL has made considerable strides in addressing sustainability in its entirety and has set meaningful goals for the future. Nonetheless, more opportunities lie in the company’s ability to measure its carbon footprint. There are also opportunities for the company to influence its value chain to take on sustainability.
3.7 CATEGORY 7: ENERGY SECTOR

Energy is an important factor contributing to the achievement of sustainable livelihoods and economic growth. This, therefore, engenders the need to give a special consideration to its production and consumption patterns as well as the adoption of cleaner energy technologies through harnessing of clean coal, natural gas, oil and other sources of energy. The energy sector is specifically key to SDG 7: Ensure access to affordable, reliable, sustainable, and modern energy for all and SDG 13: Take urgent action to combat climate change and its impacts. It is noteworthy that the BSE has one listed company in the energy sector, Engen, which is discussed below:

3.7.1 ENGEN BOTSWANA LIMITED

Engen Botswana Limited (EBL) trades in petroleum products with a focus on sales as well as distribution of fuels and lubricants. The retail market is serviced through the operations of filling stations40.

3.7.1.1 VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT

EBL seeks to be the oil company of choice in sub-Saharan Africa (SSA) and the Indian Islands by upholding values of performance, ownership, empowerment, teamwork and integrity (EBL, 2016). The 2016 annual report attests to the company’s commitment to sustainability by trading in clean fuels. This is with a view to safeguarding future generations who will also depend on the environment which forms the basis for sourcing energy.

3.7.1.2 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM

The company’s sustainability practices are discussed below as extracted and summarised from the report and survey findings, respectively:

Sustainable environment

The company’s buildings and facilities (service stations, depots and administrative buildings) are subjected to national environmental legislation and international best practices. The company also invests in sustainable products and services aimed at preventing water pollution (through the use of separator pits). It also pays attention to energy conservation (through the use of energy saving bulbs) and waste management (by ensuring safe ways of handling used oil as well as oil spills). It pays a levy to Tshole

40 http://www.bse.co.bw/listed_companies/listed.php?company=ENGEN
Trust which is responsible for ensuring safe disposal of used oil and educating the public about safe handling of used oil.

Social aspects of sustainability

The 2016 annual report states that EBL’s CSR strategy covers aspects of education, outreach and environment. The company drives Botswana’s national aspirations through appropriate initiatives such as the “Adopt a School Programme” in which it offers support to selected schools through library refurbishments as well as book and computer donations.

Corporate Governance

The company holds its management accountable for ensuring sustainability practices in business operations and are rewarded for good performance in this regard. Elements of sustainability are also covered in the PPPs. Figure 17 below summarises the above sustainability practices.

**Figure 17: EBL sustainability practices**
3.7.1.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

Even though the research findings showed that the company recognises and observes the sustainability agenda in its operations, specific examples of the three dimensions of sustainability especially, sustainable environment, do not really stand out considering the role that the energy sector in general plays in relation to SGD 7 and 13. The company's sustainability reporting could take this into consideration. In addition to EBL's current efforts in enhancing the sustainability agenda, it is suggested that the company needs to also drive the campaign and advocacy for environmental conservation through trainings and education; they could organise sensitisation workshops and offer scholarships for promising students to enable them embark on higher education in environmental studies. Furthermore EBL could take advantage of its promotional competitions to stimulate sustainability activities in the communities they operate in.
ICT is better placed to influence the implementation of the sustainability agenda in other sectors by developing innovations to enhance increased energy efficiencies and reductions (ITU-T, 2012). Nonetheless, studies have revealed that the ICT industry is responsible for 2% of global emissions and the footprint is projected to grow at 6% annually (ITU-T, 2012). It is thus imperative for the industry to integrate the sustainability agenda into its organisational operations and management. Sustainability practices, which are given consideration by the sector include sustainable products, (that is, using environmentally conscious design principles); sustainable buildings which entails the use of sustainability standards during construction, lifetime use and decommissioning; end of life management which promotes the extension of life of equipment no longer deemed optimal by existing users through the transfer of their utilisation to other users or recycling the equipment or materials contained in them for other purposes (ITU-T, 2012). Sustainability issues that need attention are related to data centres, desktop infrastructure, broadcasting services and telecommunications networks (ITU-T, 2012). Only one ICT company listed under the BSE, Botswana Telecommunication Corporation Limited, is discussed below:

3.8.1 BOTSWANA TELECOMMUNICATION CORPORATION LIMITED.

The survey findings and the 2017 Annual Report indicate that the Botswana Telecommunications Corporation Limited (BTCL) was established in 1980 to provide, develop and manage national and international telecommunications services in Botswana. The company renders retail and wholesale products and services to mobile operators, internet service providers, regional and international service providers (BTCL, 2016). The 2017 Annual Report further lists the company’s products and services to include voice telephony, fixed and mobile telephones, national and international internet, data services, virtual private networks and customer equipment to residential, government and business customers.

3.8.1.1 VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT

Based on the survey findings, BTCL’s vision is to be a market leader in communication services within the market space in which it operates. Its mission is therefore to “…provide superior customer experience through innovative communication solutions”. This is pursued through teamwork, ownership, delivery, simplicity and innovation. The company’s commitment to sustainability is encapsulated in its CSR thrust: “We impact the lives of communities in pursuit of social, economic and environmental sustainability”. Information provided in the annual report indicates that the issues on
environmental protection of the company's CSR strategic direction is in recognition of the need to curb carbon emissions, deforestation, soil erosion, e-waste etc. emanating from its product and service offerings. Furthermore, the survey findings show that some of the company's practices are based on the SDGs as they aim at reducing social inequalities; ensuring responsible consumption and production; providing decent work; and driving economic growth.

3.8.1.2 KEY ELEMENTS OF THE COMPANY'S SUSTAINABILITY PROGRAM

BTCL sustainability practices are described below.

*Sustainable environment*

BTCL invests in sustainable products and services to reduce its environment footprint. These include reduction of carbon emissions by holding virtual meetings and sharing of telecommunications masts; reduction of waste paper through discouraging unnecessary printing; supply of old telephone directory books to schools for the purpose of turning them into artefacts; introduction of electronic-invoicing; encouraging the use of natural light; and switching off of lights when not in use so as to conserve energy.

*Social aspects of sustainability*

The survey findings revealed that BTCL’s strategic focus (2017 – 2020) will be on sport development and wellness, arts and culture, entrepreneurship and innovation, partnerships and e-waste. Community/CSR projects (e.g. technology equipment, sponsorships and partnerships) are funded by the BTC Foundation (BTCL, 2017). Some of the social dimensions that apply to the company in line with the reference sustainability practices (developed for this study) as extracted from the annual report are national aspirations, community partnerships and investment in employee social welfare. In pursuit of the national vision of ‘a prosperous, educated, informed nation’, BTCL has established tele-centres (Kitsong centres) in the less developed regions of the country for the purpose of promoting community access to information and communication products and services. The centres are equipped with photocopiers, printers and faxes. BTCL has also partnered with the government to network major hospitals, clinics and health posts and to the Ministry responsible for health. Employees are provided training through an online platform.

*Corporate governance*

Although there appears to be no balanced reporting of all the three dimensions of sustainability, the BTCL annual report integrates sustainability issues in the document. Figure 18 below provides a summary of the discussed sustainability practices.
3.8.1.3 NEEDS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

The reporting of activities in relation to the sustainability agenda could be enhanced by addressing all aspects of sustainability in line with the business operations. For example, the survey findings show that the business operations have links with the SDGs. This vital information could also be highlighted in the company's report. The company also plans to develop a Sustainability Operating System (SOS) as well as engage staff on sustainability initiatives. These are good plans that could add value to its sustainability drive. Among its other future plans is the electronic waste (e-waste) management. This will present an opportunity for a comprehensive strategy for the disposal of computers, office electronic equipment and mobile phones, which, at the moment, are discarded indiscriminately by users, and which could be detrimental to environmental health in the long run. The company should also consider widespread access to affordable internet and phone services in remote places as a contribution to the SDGs, and to reduce travel.
3.9 CATEGORY 9: MINING AND MATERIAL SECTOR

Although mining has contributed to many of the challenges that the SDGs are trying to address, the industry has the opportunity and potential to positively contribute to all 17 SDGs (World Economic Forum et al., 2016). The report, however, states that individual companies will need to determine how their business can participate in this noble gesture. This will be informed by context-specific factors (local, social, political and economic); the mineral resource being mined; whether the mining activities are at exploration, development, extraction or closure phases; and the outcome of local communities and other stakeholders’ formal dialogue (World Economic Forum et al., 2016). The report recommends that the SDGs dealing with (i) social inclusion (SDG1 – addressing the need to end poverty, SDG5 – focussing on gender equality; SDG10 – dealing with inequalities reduction; SDG16 – addressing peace, justice and strong institutions); (ii) environmental sustainability (SDG6 – emphasising clean water and sanitation; SDG15 – addressing life on land; and SDG13 – dealing with climate action) and (iii) economic development (SDG16 – Peace, Justice and Strong Institutions; SDG9 – addressing infrastructure, innovation and industrialization; and SDG12 – focussing on responsible consumption and production) will be a good starting point for companies that want to align their operations to the UN goals. The only mining company listed with the BSE is Minergy, and is presented below.

3.9.1 MINERGY LIMITED

The company’s 2017 Integrated Annual Report describes Minergy as a coal mining entity that has recently been established in Botswana. According to the report, Minergy is in the pre-production stage pending awarding of licence, hence the mine has not been developed yet.

3.9.1.1 VISION, MISSION, VALUES, STRATEGIC FOCUS AND SUSTAINABILITY COMMITMENT

Minergy strives to be the supplier of choice to all coal consumers across southern Africa and plans to eventually enter the seaborne thermal coal export market over time (Minergy Limited, 2017). The company’s mission is therefore “to leverage the significant product and logistics cost advantage over other producers supplying the target market to secure short and longer term coal sales” (Minergy Limited, 2017: p. 9). The company sustainability strategy focuses on safety, health, environment, community, employees and governance.

3.9.1.2 KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM

The company did not participate in the questionnaire survey. However, the sustainability practices extracted from the annual report are captured in this report.
Environment sustainability

As indicated in the report, minimisation of environmental impact will form an integral part of the business operations. The company is committed to “leaving behind something better than that with which we started...... Ensuring the land we leave behind is healthy” (Minergy, 2017: p. 24). The report further states that studies are already commissioned and guidelines put in place for addressing noise pollution and air quality control. Other environmental issues to be addressed are water (baseline data and modelling), waste management, archaeology, flora and fauna surveys and biodiversity management plans, social impact studies on the nine villages surrounding the project, traffic management, soils baseline study, health and safety.

Social aspects of sustainability

The company plans to invest in employee social welfare (skills development, career progression, mentorship, internship and bursary, safety and minimisation of injuries); community social welfare (upgrading the clinic in Medie and the access roads to the mine, as well as making power available to the village of Medie in partnership with Botswana Power Corporation).

Corporate governance

The company plans appear to be balanced across the entire spectrum of sustainability even though the words ‘sustainability’, ‘SDGs’ or ‘sustainable development’ seldom appear in the report.

3.9.1.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

As Minergy has yet to commence business operations, it is, therefore, necessary for the company to determine, from the outset, ways in which it would contribute to the attainment of the SDGs. Given that it has positioned itself to address various ESG issues, and plans to collect data for baselines and monitoring, it should consider setting targets for these ESG parameters going forward.
4.0 BOTSWANA STOCK EXCHANGE AND SUSTAINABILITY

The BSE is Botswana’s national stock exchange given the responsibility to operate and regulate the equities and fixed interest securities market. It plays host to the most preeminent companies doing business in Botswana. Having subscribed to international sustainability frameworks, and being at the forefront of encouraging companies to be sustainable, the BSE needs to lead by example if it must effectively promote the uptake of sustainability by its listed companies. With this in mind, the research informing this report extended the profiling exercise to the BSE, and the findings are presented here.

4.1. KEY ELEMENTS OF THE COMPANY’S SUSTAINABILITY PROGRAM

Sustainable environment

The BSE has invested in sustainable products and services, which ensures the reduction of in-house waste paper; adoption of energy saving mechanisms; and reduction of carbon emissions. The Central Securities Depository (CSD) system adopted in 2008 for efficient clearing and settlement of securities traded on the BSE led to the elimination of paper certificates and the dematerialisation of securities into electronic CSD accounts. Subsequently, the system has enabled the emailing of CSD statements in lieu of printing and posting hard copy statements to shareholders numbering close to 80,000. It is envisaged that the system will in future allow for electronic Annual General Meetings (e-AGMs) where investors will be able to participate in AGMs virtually. Staff members are encouraged to use e-mail with a view to reducing the usage of paper. The BSE has introduced an Automated Trading System (ATS) through which brokers can trade from their offices. It also encourages proper usage of electricity within the organisation. Staff are encouraged to monitor consumption or usage of water, lighting, heating and ventilation as well as electronic equipment within the workspace.

Social aspects of sustainability

The BSE invests in employee/community social welfare and national aspirations. The stock exchange staff benefits include paid medical aid, pension, insurance, skills training and implementation of loan scheme with lending institutions. The company staff welfare committee arranges wellness activities throughout the year to keep employees motivated and efficient. The company also conducts continuous First-Aid training for staff members. Through the Adopt-A-School national program, the BSE engages in school refurbishment, facility donation, funding of prize giving ceremonies for some schools, some of which are situated in rural areas where services are very limited or inaccessible. In addition, the BSE facilitates numerous public education campaign such as Open Days, TV and radio programmes, publications and social media platforms that aim at sensitising and educating members of the public about the stock market and the potential benefits of investing in BSE-listed securities. Potential issuers are also educated about the prospects of utilising the stock market as a platform for capital-raising and other associative benefits.
Corporate governance

The BSE has demonstrated ownership of sustainability agenda by joining the United Nations Sustainable Stock Exchanges (SSE) initiative, which is a network of stock exchanges that uphold sustainability practices and promote them in their domestic markets. Although the company plans to commence the publishing of integrated reports in 2018, it is a member of the Africa Integrated Reporting Committee (AIRC) which was established by the Pan African Federation of Accountants (PAFA) and the World Bank Group (WBG). The onus of the committee is to provide strategic thinking, and promote and support the adoption of Integrated Reports in Africa. Employee engagement includes various environmental awareness activities for staff. The awareness has led to some BSE employees adopting car pooling and ride sharing agreements to minimise costs on fuel and assist with emission reduction in the environment. Working towards the same goal, some employees have chosen to commute in public transport as opposed to their personal cars. Figure 19 summarises the sustainability practices at BSE. The BSE has embarked on a sustainability awareness drive for its listed companies which commenced with this profiling exercise. This as alluded to in the introduction, is in partnership with UNDP.

![Diagram of BSE Key Sustainability Issues](image)

**Figure 19: BSE key sustainability issues**

### 4.1.3 POTENTIAL AREAS FOR FURTHER IMPROVEMENT AND FUTURE PROSPECTS

Given its role in international sustainability initiatives, the BSE is a good place to influence sustainability practices among its listed companies. This implies that they have access to globally recognised practices and are able to obtain information as the concept evolves over time. The stock exchange current strategy offers it a good pedestal
for its own growth in the drive towards sustainability. It is instructive to note the organisation’s planned role of promoting green financing for companies to raise capital for climate-friendly and renewable energy projects. It has also committed to developing a Model Guidance on Reporting ESG Information to investors. The Model Guidance is a voluntary tool (another SSE initiative) which would help stock exchanges to guide issuers on financial operations and procedures.
This section syntheses the sustainability practices identified across BSE-listed companies in relation to the ESG dimensions, and in terms of the SDGs. It presents the most prominent SDGs that the sustainability practices of companies are contributing to under each of the environmental, social and governance perspectives. For each SDG, its main overall thrust and a few examples of practices from the profiles of BSE-listed companies are presented.

**Environmental dimension of sustainability**

SDG6, which addresses clean water and sanitation, requires stakeholders to manage water in a way that meets social, economic and environmental needs (UNGC, 2017). This is achieved through the application of holistic water use strategies that facilitate social equity, environmental sustainability and economic gains in company and supply chain operations. The strategies are also meant to ensure the protection of wetland ecosystems in areas where the company operates. The relevant sustainability practices observed in the profiling exercise include water harvesting, water use efficiency, the use of separator pits meant to prevent ground water contamination by petroleum companies.

SDG7, which addresses affordable and clean energy, calls on companies to use energy efficiently, adopt renewable energy where possible and encourage their supply chain to do the same (UNGC, 2017). Examples of relevant sustainability practices identified in the organisations’ profiles include the use of energy saving bulbs and buildings, and adoption of renewable energy (mostly solar).

SDG12, which focuses on responsible consumption and production, demands that companies should be encouraged to adopt the Circular Business Model (that is, keeping materials in use for as long as possible); use less energy and material as well as produce less waste; provide solutions for tracking and reporting on sustainability of production and consumption (UNGC, 2017). In this context, the relevant sustainability practices observed by the BSE-listed companies include water conservation through the use of grey water, recycling water, rain water harvesting; reduction of waste paper via the adoption of paper saving printing techniques, paper recycling; reduction of general solid waste via waste separation for purposes of recycling (the recycling of solid waste does not occur in situ for the majority of the companies but instead taken to appropriate places).

SDG13, which addresses climate action, prompts companies to devise innovative solutions to cut emissions; contribute to climate change awareness; build resilience to environmental hazards; improve the carbon efficiency of own operations; source low-carbon materials and energy inputs from renewable sources; and reduce the carbon footprint over the life cycle of products and services (UNGC, 2017). Some practical steps that BSE-listed companies have adopted include virtual meetings; paperless banking, e-
invoicing; fleet management; measuring company carbon footprint; certification (e.g. green building accreditation); employee engagement on environment issues; and use of green building/facilities.

SDG15 pays attention to the wellbeing of terrestrial life; life on land. Contribution by the private sector to this endeavour, therefore, include investing in land remediation and rehabilitation activities; protecting habitats and implementing restoration projects as well as relevant research and development (R&D); and putting in place policies and programmes that protect the environment from business operations (UNGC, 2017). Relevant steps taken by the BSE-listed companies include offering support to conservation groups; making clean up campaigns; engaging in tree planting activities; using monitoring systems that allow for measuring sustainability issues such as the Social and Environmental Management System (SEMS) and Sustainability Assessment Matrix.

Social dimensions of sustainability

SDG1 aims to end poverty in all its forms. The goal, therefore, enjoins business-related actions that seek the creation of decent jobs (including decent working conditions), economic empowerment of vulnerable groups, and production of goods and services aimed at improved livelihoods (UNGC, 2017). Most of the companies analysed in this study engage in activities related to this goal through their CSI/CSR activities. The most common activities among the BSE-listed companies include upholding appropriate employee health and safety standards; adopting strategies for employee professional growth and development; ensuring financial inclusion for women and youth; and providing the three basic needs of man which are shelter, food and clothing to the less privileged.

SDG3 focuses on good health and wellbeing. UNGC (2017) outlines company and supply chain management operations aimed at enhancing healthy communities and employees; adopting products, services and business models that facilitate improved health outcome; and promoting healthy behaviours and access to health care as ways in which companies could support SDG 3. The BSE-listed companies observe these by partnering with stakeholders that raise awareness for specific health conditions such as cancer and HIV/AIDS; sponsoring sporting activities and sport development; providing shelter and food; and ensuring the disclosure of information on sensitive ingredients aimed at protecting consumers.

SDG4, which focuses on quality education, is facilitated through accessibility to vocational training and lifelong learning opportunities to employees across business and supply chain; employee wages that are enough to support dependents' education to facilitate zero child labour; support for higher education and access to free and equitable primary and secondary education (UNCG, 2017). The profiling exercise outlines social sustainability practices among BSE-listed companies to include the
implementation of school buildings refurbishments and maintenance (e.g. libraries and class rooms), provision of school learning supplies and equipment (books and computers); implementation of literacy programs; provision of graduate scholarships; enhancement of financial literacy; implementation of the 'adopt a school' programs; and establishments of education trusts.

SDG5 advocates for gender equality though appropriate policies and practices that prevent gender based discrimination; promotion of gender balance at all levels; and investment in gender equality projects and advocacy. Nonetheless, there are no clear sustainability practices identified in line with this goal during the company profiling except for activities geared towards empowerment through enterprise development and financial inclusion.

Corporate governance dimension of sustainability

SDG8 focuses on decent work and economic growth, calls for the provision of decent working conditions, education and training for the employees and vulnerable groups of the community; and investment in research and development, skills upgrading and growing businesses (UNGC, 2017). The sustainability practises observed by the BSE-listed companies include the enhancement of access to health facilities by employees; creation of employee awareness on non-communicable diseases; provision of a dedicated office to sustainability issues; and holding management accountable for sustainability performance.

SDG17 emphasises partnerships for all the SDGs, which entail resource mobilisation for the attainment of the other 16 goals; technology development, and capacity building (UNGC, 2017). BSE-listed companies' contribution to this aspect include the provision of grants to environmental groups; and forming partnerships with farming communities, health associations and government entities.

5.1 EXISTING GAPS IN SUSTAINABILITY ACTIVITIES

While several of the profiled BSE-listed companies have made some giant strides in observing the UN sustainability agenda as they apply to the SDGs, there are a number of areas which are yet to be [adequately] addressed by them. These pertinent issues are discussed below:

5.1.1 LISTED COMPANIES’ CONCEPTUALISATION OF SUSTAINABILITY

The way a company perceives the concept of sustainability would determine how sustainability issues are addressed in the company’s operations and policies. The survey research findings revealed varying perceptions of sustainability across the BSE-listed companies. In most instances, sustainability was associated with either environmental
protection or social upliftment. There were few instances where all the three pillars of sustainability (environment, social equity and economic development\textsuperscript{41}) were taken into consideration by the respondents as reflected in the way they explained the concept. Equally, in several cases, practices are limited to CSR/CSI, without embedding it into their business structures and models. While CSR/CSI is positive, it is dependent on whether or not a company is not doing well financially. CSR budgets usually shrink with profits, while sustainability issues like energy, community welfare, water efficiency, employee welfare and others are still important to business and society with low or high profits.

5.1.2 SUSTAINABLE FINANCING AND INVESTMENT

Companies listed on stock exchanges raise capital which they can invest to grow their business. How they invest the money is key to sustainability in terms of the social, economic and environmental outcomes of the projects they invest in. Most companies in the study do not relate their sustainability practices to their investment profile. Thus, an area that can be strengthened is for companies raising capital through the BSE to proactively invest in projects that are sustainable, and for those in the financial services sector to include sustainability provisions in their financing program. This will ensure that the projects they finance also yield ESG benefits, beyond the financial institution’s own sustainability practices such as water and energy conservation.

5.1.3 SUSTAINABILITY REPORTING

One of the ways in which various stock exchanges encourage companies to achieve sustainability is through voluntary reporting on ESG information. A review of the annual reports of the profiled companies revealed that whereas in some instances, the CSI/CSR report was used interchangeably with sustainability report, the sustainability and CSR components were distinctly delineated in the annual report in other cases. It is also instructive to note that in some instances, the sustainability component only covers the environmental aspects. SSE (2015) points out that sustainability reporting can be done as a stand-alone component in which the reports address relevant ESG information needs; financial reporting integrated with material ESG factors in which certain ESG factors are included in financial reports; integrated reporting which covers the organisation’s strategy, governance, performance in the context of its external environment.

\textsuperscript{41} https://www.mcgill.ca/sustainability/files/sustainability/what-is-sustainability.pdf
5.1.4 DEDICATED SUSTAINABILITY PERSONNEL

Few of the companies have dedicated staff responsible for tackling sustainability issues that affect the company. This is crucial for effective internalisation of sustainability in company PPPs. This also applies to devising innovative ways in which the organisations could derive sustainability gains while contributing to the global attainment of the same.

5.1.5 SUSTAINABILITY PRINCIPLES

In order for the BSE to drive a consistent sustainability agenda, it will need to rally companies around a set of voluntary principles that guide companies towards best practices, while the specifics will depend on individual companies. This will give the BSE a point of reference for different companies, and the ability to gauge their progress. In this regard, a separate set of principles has been proposed following this study, and is attached separately. The BSE can promote these principles and, together with other guidance tools, encourage companies to make voluntary subscription to the principles. To minimise the burden on companies, the principles have been kept simple and limited to those applicable to Botswana.
6.0 CONCLUSION

The private sector is pivotal to driving SDGs in any given country. This profiling exercise has highlighted the sustainability landscape of in the BSE-listed domestic companies. Nonetheless, a number of companies do not have specific sustainability policies because they are still not fully conversant with the issues as well as the global agenda on the SDGs, and thus have adopted mostly isolated practices that are not entirely integrated into their business operations. Conversely, other companies, which have recognised sustainability as key to their business, have adopted some practices, but have not attained the level of reporting and accounting for sustainability. Indeed, there are companies that are well advanced, and have actually adopted some global reporting systems, which have earned them international recognition in the international frontiers. The findings of this profiling exercise will provide a basis for the BSE and UNDP to work with companies to reach their full sustainability potential.
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