

AfricanSpirit Group Limited

(Asilia group of companies)



ANNUAL REPORT

POSITIVE IMPACT

2012-13



Rekero river view, campfire at Olakira Lamai & Sayari pool view

ASILIA CORPORATE PROFILE

Company highlights 2012-13

- Largest player in its segment of upmarket safari tourism in East Africa following recent expansion
- Strategic footprint of 12 wholly-owned camps and lodges (from 8) in superb locations in North Tanzania and South Kenya, 5 additions in Tanzania and Kenya. 1 additional development in Mozambique (pending)
- Professionally trained guides and growing fleet of more than 50 top-end luxury safari vehicles
- International sales & marketing platform based in Cape Town with increased branding capabilities
- More than 550 permanent staff, excluding casuals
- Consistent and solid impact credentials:
 - Became a B-Corporation in the United States
 - Honoured as one of the 60 “Best for the World” companies by Bloomberg
 - Impact strategy integral part of group vision; 5-star GIIRS rating sustained
 - Redevelopment of Rubondo Island camp in the unutilized Rubondo National Park in Tanzania
 - Chosen as partner in the restoration of the Gorongosa National Park in Mozambique (pending)





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ASILIA GROUP IDENTITY STATEMENT



WHO WE ARE

We offer each of our guests a superb, memorable and personal Africa experience. We deliver this through our portfolio of small, up-market camps and lodges in outstanding locations, unique tailor-made guided activities and a professional travel service that spans East Africa.

WHAT WE BELIEVE IN

Africa is very special – its people as well as its nature – and we love it dearly. We take great pride in immersing our guests in the magic and soul of Africa. We stand by our philosophy to ensure that each and every guest reserves a special place for Africa in their hearts and leaves with a deep desire to return.

We work closely as a team. We value everyone's contribution and dedication. Each individual within our Asilia family has specific talents and skills to contribute to a memorable guest experience and to the overall success of our combined endeavors.

Above all our goal is to be a role model in sustainable tourism. We create lasting positive impacts on the natural habitats as well as the economies and livelihoods of the people in the areas in which we operate. We commit to developing innovative models in this domain.

OUR FAMILY VALUES

Asilia is genuine and honest. We show this not only in the way of offering our guests a personal Africa experience, but also in the way we deal with each other, with our customers and our suppliers, with our neighbors' and with our environment.

We perform everything we do to the highest quality and with the fullest dedication. This applies not only to our standards of service to our guests and agents, but also to everything else, including: our standards of internal and external communication and follow-up, our maintenance of assets and equipment and our standards of procedures and recordkeeping. We are very committed to every task or job that we set out to do and we 'go the extra mile' in order to satisfy a customer or to assist a colleague.

Our existence is dependent on the prosperity of everyone and everything around us. We care about our guests, about each other as a family and about our neighbors. We care about our environment.



POSITIVE IMPACT AND SUSTAINABILITY

Introduction

At Asilia, we are fortunate to be able to welcome our guests to some of the *most special* places on earth. Places of stunning natural beauty, teeming with wildlife and full of cultural significance. These areas are of exceptional value. Not just to our company or to the - often poor - communities living in and around them, but to all of us living on this planet, now and in the future.



We believe that our presence and the visits of our guests can make a lasting positive impact on nature and local livelihoods alike. By generating revenues, increasing opportunities for people to prosper and supporting efforts that preserve and ultimately expand pristine habitats. Our goal is to make a true difference everywhere we work. We believe in better.

We aim to create lasting conservation economies through responsible tourism in selected areas where we have a presence, benefiting the local communities and natural habitat/wildlife alike. We are genuinely devoted to this aim and take a long-term view to these areas. In each area we aspire to be in a position where after a number of years we can truly (and proudly) claim that our presence made a structural and lasting positive impact. As a company, we aim to be an inspiring role model with a portfolio of great examples of how responsible tourism and local community development can go hand in hand with changing vulnerable nature areas for the better. We commit to run all our operations in a sustainable manner with minimal environmental and social risks and negative impacts. We strive to continuously improve our performance in this domain. We strongly believe in a collaborative model, where our guests, our tourism partners, local people, conservation partners and other stakeholders in the areas all play a constructive role and share common long-term goals.

We are working hard to put our aspirations in those areas where we have a presence into action and make a meaningful impact on conservation and community development. Every year we 'push the bar' a bit more to further improve our performance. We aim to make our performance indicators and reporting as concrete as possible, with tangible and measurable targets and indicators wherever practically possible. We regularly conduct audits in our various units to monitor progress and to identify areas for further improvement.

Despite the various achievements to date we feel that there is more that we as an organization can do when it comes to making a positive impact, and in the last year's Annual Report we stated that we wanted to move our positive impact to the next level. In early 2013 we therefore embarked on our *Positive Impact – 'To the next level by June 2013'* Group project, which was led by one full-time employee over a six month period. The key outcome of this project is a group-wide framework within which all our positive impact initiatives can be placed, measured and monitored as well as the set-up of permanent guest donation infrastructure. The positive impact framework sets out where we want to be in five years' time and what that means for the steps we have to take during 2013-14 to achieve these ambitions. Within the overall framework we have established positive impact commitments for each of the six areas in which we operate (Serengeti NP, Tarangire NP, Rubondo Island NP, Greater Maasai Mara Area, Gorongosa NP (pending) and Matemwe) and for four of our group functions (Finance, Marketing & Sales, Operations and Group & HR). For each of these we established





the key long-term challenges, priorities & measures for the area, and segmented those into five pillars: general area planning & governance; habitats, ecosystems & wildlife; livelihoods, communities & education; research, awareness & outreach; and sustainable operations.

In 2013-14 we will be implementing the results and the first phase of our Group project and creating accountability of the organization and our employees on the positive impact SMART commitments for the year.

We can credibly claim that our performance during 2012-2013 in terms of impact and sustainability compares favourably with the rest of the industry. Our efforts are increasingly getting international recognition. Last year we successfully obtained an excellent GIIRS¹ rating as the very first company in our industry. This year we became, as one of the first companies in Africa, a Certified B Corporation, thereby joining the leading movement of entrepreneurs that use business to solve social and environmental problems. We were subsequently nominated as one of B Corp's "Best for the World" overall companies, which recognises those companies that create the most positive overall social and environmental impact.

¹ GIIRS is an abbreviation for Global Impact Investing Rating System. <http://giirs.org/>

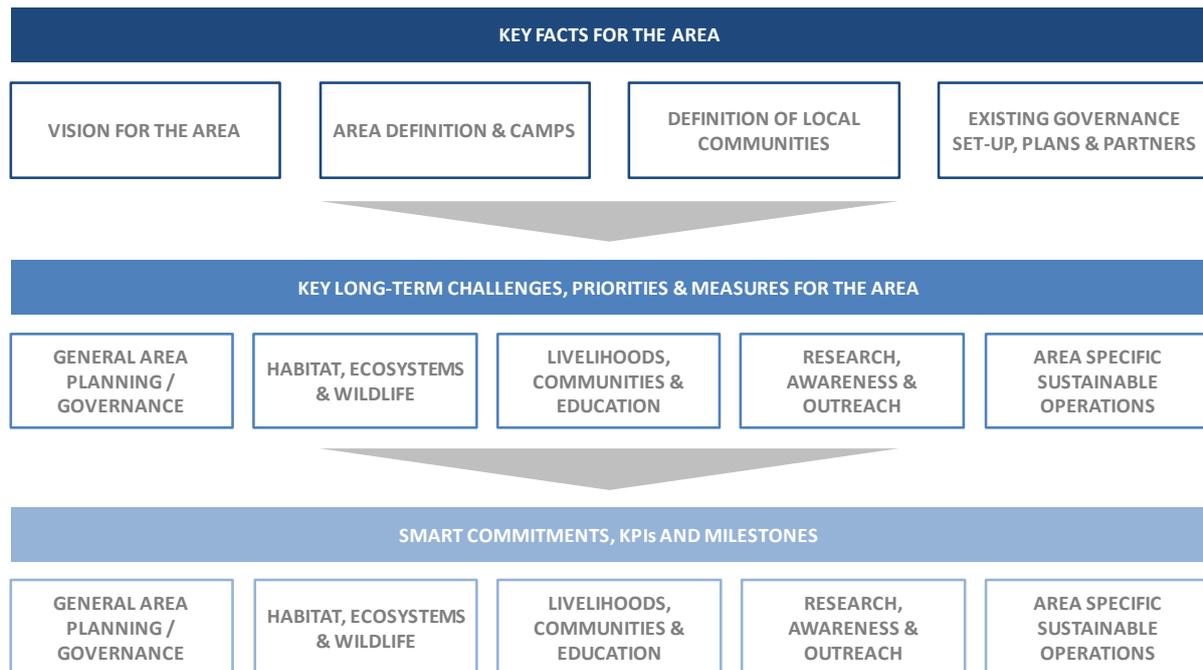


Our positive impact vision & approach explained

Delivering positive impact is central to the vision and identity of Asilia. Within our overall positive impact framework our area approach stands out as the most distinct aspect: we fundamentally strive to improve the general prospects for sizable areas of rural Africa, benefiting thousands of km² of pristine nature and thousands of people. We are committed to developing innovative models within this area approach domain. In addition to our unique area approach we also make a positive impact in various other important ways.

Positive impact on areas

The core differentiator of Asilia’s impact strategy is the integrated view and approach we take towards all areas in which we have a presence. We develop a vision for the whole area (if it is not already in place), actively engage in its governance and in tackling the key challenges and priorities for that area, taking a collaborative approach by working together with local communities, authorities, NGOs, and other companies to achieve the best possible long-term outcomes for these areas. As successful tourism partner, we bring recurrent revenues and employment into the area, which especially in underdeveloped areas is often fundamental for its overall prospects. The graphic below highlights the Asilia framework for our area approach.



Furthermore, we pride ourselves in taking a pioneering approach to un- or underdeveloped areas: we regularly set up camps and lodges in areas where tourism has little foothold and making long-term commitments to allow these places to thrive. Ultimately, bringing sustainable tourism to new areas can transform them into viable and lasting conservation-based economies, with perpetual revenue for both its people and protection of wildlife.

Current examples of areas which had very limited to no visitors prior to our entry Rubondo Island NP, the Mara Naboisho Conservancy and our planned involvement in Gorongosa NP (though that is on hold at present). In the past we achieved similar results in the North of the Serengeti, which was rife with poaching and had no



tourism before we entered. This area is now one of the most successful areas in the Serengeti / Mara ecosystem, with over 20 camps, and realizing significant benefits for conservation (in park fees and reduced poaching) and the surrounding communities (in employment).

Asilia's investments in these projects are material, not just in financial terms (our investments in our own camps and support structures, the initial operating losses we often sustain) but also in time & effort in marketing these areas as new tourism destinations and getting logistics of the ground (flight schedules, supply routes).

We believe the combination between mainstream and pioneering developments allows us to push the boundaries of tourism far beyond the status quo.

Positive impact on our own people

Asilia currently employs close to 600 people; more than 95% have an African nationality and more than 30% come from one of the local rural communities in the areas in which we operate. We aspire to be a caring employer for this 'Asilia family', with great training & development opportunities and with general staff care scoring in the top quartile of our industry on all fronts.

Positive impact on our guests

Asilia welcomes thousands of guests every year - some of them influential and famous, all of them passionate about nature. We strongly believe in creating general awareness and public support for conservation and community empowerment, and we feel that our guests can act as 'ambassadors' for these issues upon returning home. We therefore actively make our guests aware of the challenges in the field of conservation and local poverty, explaining how their visit to the area benefits the area and its people, and enable them to get involved after their visit.

General role model

In addition to the above, Asilia delivers positive impact in a number of other ways. By setting general standards, through industry organisations, through taxes and levies etc. We aspire to be a general role model in the industry. Tourism & travel is peculiar in the sense that even though it is one of the most important sectors in sub-Saharan Africa (top-3 employer and hard currency earner in Tanzania & Kenya), it is a fragmented industry with limited leadership and in need of good role models which raise the overall industry standards.

Our ambitions for 2018

Our general overall aspiration is to be able to claim the following by 2017-18:

Positive impact on areas

1. We have displayed ground-breaking performance in creating positive impact in those areas in which we have a presence, thereby contributing to better prospects for thousands of km² of pristine nature areas and thousands of people in/around these areas:
 - a. Conservation of natural habitat & wildlife has improved significantly, amongst other through the generation of substantial revenues for the area (by us and our peers), thus preserving its pristine habitat and avoiding other less sustainable land uses (agriculture, deforestation, bush-meat, etc.), as well as through contributing to good governance and various conservation initiatives in the area
 - b. Livelihoods of local people have improved significantly, e.g. through land rent, local employment, local supplies, educational support etc.



2. We have a portfolio which includes at least 2 crucial areas of more than 200 km² where Asilia - through its presence & leadership - has achieved a real 'turn-around' in the prospects for that area (current candidates being Rubondo Island NP, the Greater Maasai Mara Conservancies and Gorongosa NP)

Positive impact on our own people

3. We are seen by our current and aspiring employees as an employer of choice in our industry – not because we pay better, but because we have the most conducive work environment, develop and train our people better and give them more opportunities for growth within the organisation
4. We are seen as the favourite career choice for talented local and international people who are committed to become amongst the best in their profession in areas such as guiding, and are recognized as such in the industry

Positive impact on our guests

5. We have successfully included into our guest experience – in a pleasant and inspirational way – an insight in the challenges of conservation and rural poverty in Africa and how the presence of tourism can contribute
6. We have generated an annual stream of charitable giving (grants, donations, etc.) of well over USD 500,000 going into local conservation and community projects
7. We have established a community of 20,000-plus individuals across the globe with an active interest in the areas in which Asilia has a presence, as well as the challenges and impact approaches in conservation and rural community support in general

General role model

8. We are viewed as a preferred partner for local communities, governments, conservation partners and other tourism companies for the development and improvement of crucial natural habitats and local people
9. We enjoy an excellent general reputation in the industry, with various tangible contributions to improvement of industry standards & functioning

Though it can sometimes be difficult to pinpoint annual milestones for all of the above goals above we will endeavour to track our progress as best as we can and we will share a yearly update of our positive impact efforts with all of our stakeholders which provides a clear insight into the results thereof.



Delivering positive impact - Our area approach

The core differentiator of Asilia's impact strategy is the integrated view and approach we take towards all areas in which we have a presence. We develop a vision for the whole area (if it is not already in place), actively engage in its governance and in tackling the key challenges and priorities for that area, taking a collaborative approach by working together with local communities, authorities, NGOs, and other companies to achieve the best possible long-term outcomes for these areas. As successful tourism partner, we bring recurrent revenues and employment into the area, which especially in underdeveloped areas is often fundamental for its overall prospects.



Most importantly, we 'push the boundaries' in tourism by investing in critical conservation areas / projects which can have, although they have solid business cases, a relatively longer lead time and (slightly) higher risk profile (e.g. our work on Rubondo Island). We bring revenues and employment from tourism into new areas (which we also call 'pioneering' areas), thereby fundamentally improving the overall prospects of these areas, local communities and nature.

Pioneering area case study: Mara Naboisho Conservancy

Naboisho is an area of 200 km² prime savannah land bordering the Maasai Mara National Reserve in Kenya. It forms a key part of a wildlife corridor between the Serengeti / Maasai Mara eco-system on the one hand and the Loita Plains on the other hand, hosts an annual migration of over 100,000 wildebeest and zebra, and has one of the highest concentrations of lion anywhere in the world. The area had no income or employment from tourism and was seriously under threat from population growth, uncontrolled development and overgrazing until 2010, when we were the first operator to make firm investment commitments. Asilia also organised high quality project management capacity to get the Conservancy structure into legal and practical existence at a critical moment of its development. Under the leadership of Asilia and its partners, the 500 Maasai families owning the land brought their land into a 15-year conservancy trust with good governance and sustainable land use planning.

The Mara Naboisho Conservancy is now used for tourism and controlled grazing only. Land-owners benefit through monthly land lease payments and jobs. Asilia chairs the consortium of tourism partners which jointly generate close to USD 1mn per year in income for the area, as well as a few hundred jobs. Since the opening of the Conservancy three years ago there has been a fantastic recovery in wildlife numbers and behaviour. Prey densities increased significantly and the resulting effect was an increase in predator numbers, especially lions. No less than 2 years ago lions were very nocturnal and shy; today our guides & guests have daytime lion sightings on a daily basis. The core Enisikiria lion pride totals over 24 lions now, with more than 13 cubs and is still growing! Between 50 to 60 lions are currently using the Mara Naboisho Conservancy, which makes it one of the best places in Africa to view wild lions (it is estimated that there are less than 30,000 lions left globally).

In 2013-14 we will be implementing the findings & recommendations from our *Positive Impact – 'To the next level by June 2013'* Group project which took place in the first half of 2013. One of the key deliverables of this project was a framework of the positive impact commitments we make as an organisation by area (and by function) for the 2013-14 season. We have currently defined six areas in which we are active: Serengeti NP,



Tarangire NP, Rubondo Island NP, Greater Maasai Mara Area, Gorongosa NP and Matemwe. For each area we have set out the key long-term challenges, priorities & measures for the area, and segmented those into five pillars: general area planning & governance; habitats, ecosystems & wildlife; livelihoods, communities & education; research, awareness & outreach; and sustainable operations.

1. General area planning & governance

Whether Asilia already has a presence or is exploring possibilities to venture into new lands, the key to making an impact is knowing where the greatest challenges lie. It starts with assessing the governance and management set-up, identifying voids, and establishing what the best course of action is to tackle the problems faced.

As a company we can do a lot, but not every challenge can and should be addressed by us. That is why we take a collaborative approach, working together with local communities, authorities, NGOs, and other companies to achieve the best possible long-term outcomes for the areas where we committed ourselves to. These partnerships allow us to identify where we can make the largest contribution and impact.

2. Livelihoods, Communities & Education

People are an essential part of our vision. We strive to improve livelihoods in various ways. Asilia employs a large number of people from communities living in and around the areas we work (over 30% in 2012-13). We are a caring employer, offering everyone opportunities to train and grow. Entrance fees further provide a substantial income stream, especially where local communities own the land (such as in the Mara Naboisho Conservancy). Where possible, we buy local produce to support incomes locally.

Education is fundamental in improving opportunities for the future. That is why we passionately support schools everywhere we work. Not only at the level of primary education, but offering opportunities in advanced education as well.

3. Habitat, Ecosystem & Wildlife

Many of the pristine ecosystems we operate in are under immense pressure. We engage in numerous protective and restoration projects, such as reducing deforestation, taking anti-poaching measures, participating in water management and in some cases re-introducing species. We are also involved in training local communities on more effective ways to run livestock and improve livelihoods while reducing pressure on ecosystems and wildlife populations.

4. Research, Awareness & Outreach

Research and awareness strongly contributes to better prospects for the natural habitat and livelihoods of people. Asilia supports research on key species; providing evidence how they are threatened and what their decline means for the area as a whole. We actively engage communities by bringing schools to our camps and lodges and showing wildlife documentaries which raises appreciation for the value of nature locally. In addition, outreach on these areas to audiences around the world results in increased visibility, income and ultimately better protection.

5. Sustainable Operations

Any lasting positive impact must ultimately begin with oneself. At Asilia our camps, lodges and logistics answer to the highest standards of eco-tourism. We are continuously measuring and reducing our environmental footprint by minimising fossil fuel use, using sustainable energy sources such as the sun, recycling water and waste where possible and offsetting the remainder of our carbon footprint by supporting local (re-) forestation projects.



For each of these five pillars we subsequently formulated a number of SMART commitments, KPIs and milestones, on which we will be monitoring our performance over the course of the 2013-14 financial year and beyond. The extract below is a taken from our positive impact framework for the Greater Maasai Mara Area.

GREATER MARA | POSITIVE IMPACT PRIORITIES & ANNUAL COMMITMENTS 13/14

KEY FACTS FOR THE AREA				
VISION FOR AREA	AREA DEFINITION & CAMPS	DEFINITION LOCAL COMMUNITIES	EXISTING GOVERNANCE SET-UP, PLANS & PARTNERS	
Asilia envisages to play a leading role in safeguarding the future of the crucial Masai Mara ecosystem, by securing land within the boundary of the conservancies, adding an important wildlife corridor, effectively protecting the area through buffer-zones and creating a more harmonious interaction between the pastoralist communities and wildlife living in the area.	Comprising Masai Mara NR & Conservancies (Naboisho, Mara North, Olare Orok, Lemek, Ol Chorro & Enonkizhu) 3 camps: Naboisho (conservancy), Rehero (Reserve) & Nomadic Encounters (conservancy)	<ul style="list-style-type: none"> Talek Ole Sere Nkolale Aitong Ngousani Morijo Imarti Lemek 	Local authorities: <ul style="list-style-type: none"> For NR: Narok & Trans Mara Counties Conservancies by respective bodies. Plans: <ul style="list-style-type: none"> Naboisho 10 year conservancy management plan. 	
KEY LONG-TERM CHALLENGES, PRIORITIES & MEASURES FOR THE AREA				
General area planning / governance	Habitat, Ecosystems & Wildlife	Livelihoods, communities & education	Research, awareness & outreach	Area specific sustainable operations
No effective overall governance for the ecosystem; multiple / fragmented community ownership, consequently less sense of responsibility / economic value for natural habitat and wildlife.	Overgrazing; poaching; uncontrolled human development affecting wildlife migration routes	Impoverished local economy; limited sources of income Limited and poor-quality educational opportunities	Limited understanding of wildlife population patterns, trends & threats. Limited understanding amongst local people of value of wildlife. Limited general understanding amongst agents / guests & other stakeholders of density of wildlife inside the conservancies	Water management
Long Term Priorities				
<ul style="list-style-type: none"> Unite the conservancies into a well governed umbrella entity, with aligned policies and terms for all conservancies by 2017 Create buffer zone around the conservancies to minimize human / wildlife conflict - define plan by mid 2014 and realize by 2017 Effectively protect the 'forgotten' Loita Migration, adding 50 000 acre wildlife corridor into the Mara Naboisho conservancy - define by 2014 and realize by 2017; Naboisho Conservancy 's Grazing plan: Improved grassland management, creating year round grass banks for community members. Expand the Kijaki guiding school into a leading institute for hospitality training for local community; [additional vocational curricula such as front of house management, anti-poaching, but also guiding specialisms such as cultural and walking guiding Establish an "EO Wilson style" research centre for the Masai Mara eco-system, focusing on (i) delivering management information for the long term protection of the Great Savannah wildlife & habitat, (ii) human / wildlife conflict & sustainable pastoralist practices Reduce environmental footprint to an absolute minimum, by recycling and sustainable energy use. 				
Measures in place/progress to address these long-term challenges				
Development of MMNR management plan, formation of Masai Mara Conservancies Platform	<ul style="list-style-type: none"> MNLP & KWT Cheetah project Conservancy grazing plans Rhino Ark, Protecting Mau forest (source area for the Mara river) 	<ul style="list-style-type: none"> Kijaki guiding school KWT Justice scholarships Conservancy fees 	<ul style="list-style-type: none"> MNLP, Cheetah 	Boreholes are being implemented in Naboisho

Whilst our new positive impact strategy and area frameworks were not yet up and running in the 2012-13 financial year, we have clustered our positive impact examples and initiatives in 2012-13 according to the five pillars mentioned above.

1. General area planning & governance;

- In all areas where we have a presence we maintain an active dialogue with the local authorities on area planning. In The Mara Naboisho Conservancy one of our management team members chairs the board of the tourism partner entity.

2. Livelihoods, communities & education

In 2012-13 we made a positive impact in various ways in this domain:

- We continued our active effort in hiring and training people from poor rural communities in the areas where we have a presence, with over 30% of the employee base of Asilia consisting of employees from local communities. In Matemwe we have been the largest and most salient local employer for the past two decades.
- In all our camps and lodges we sourced from local suppliers wherever we could, thereby boosting the local economy. We helped the local suppliers where we could in giving guidance on the type and quality standard of produce for the tourism industry.



- We supported a portfolio of smaller local and regional projects, including, but not limited to:
 - We provided financial support to the Koiyaki Guiding² School, which offers excellent employment prospects for its students. We also regularly provide internships to students from Koiyaki at our Rekeru and Naboisho camps.
 - We provided financial support to various local districts and villages in areas where our camps are active.
 - We provided school books and uniforms to Osinoni School (South-Serengeti).
 - We coordinated donations done via Asilia guests who visited an Orphanage in Mtu wa Mbu with Asilia guides
 - We coordinated the support and logistics to build a waterpump for a borehole in Machochwe village (Serengeti), which was funded by an Asilia guest donation (USD 14k)
 - We provided support to the local Kigomani village 1km south of Matemwe in many ways, amongst others including contributions for school trips, village electricity, Koran readings, new classrooms, a teacher’s house.

To optimally channel and monitor our impact on the local rural communities in 2013-14 we have defined ‘our’ communities as follows:

Area	Local Communities
Serengeti NP:	Osinoni, Piyaya, Machochwe Ward (Mbalimbali, Kitendguma, Namapendo, Machochwe, Marenga)
Tarangire NP:	Communities in Terat & Burunge areas – to be assessed and concluded in the course of 2013-14
Rubondo Island NP:	2 villages on Maisome Island, Kasenyi on Ikuza Island
Greater Masai Mara Area:	Talek, Ole Sere, Nkoilale, Aitong, Ngousani, Morijo, Imarti, Lemek
Matemwe, Zanzibar:	Kigomani, Panga Kiza, Kichanga jake
Gorongosa NP:	15 communities (names TBC from park officials). In the coming season (2013-14), a proper assessment of which communities fall within the scope of Asilia will be made



Ubuntu management delivering supplies & Sayari school support

² www.koiyaki.com





Ubuntu community visit & school support project

3. Habitat, ecosystem & wildlife

In 2012-13 we made a positive impact in various ways in this domain:

- The table below outlines in financial terms how we as a company make a positive impact to government and governmental institutions in charge of nature conservation:

STATUTORY AND PARK FEE PAYMENTS / SOCIAL RESPONSIBILITY	2010 - 2011	2011 - 2012	2012 - 2013	Delta %
	<i>('000 USD)</i>	<i>('000 USD)</i>	<i>('000 USD)</i>	
Taxes				
VAT	498	702	740	5%
Pay roll tax and Social Security contribution (employer & employee)	490	795	949	19%
Other taxes	183	134	172	28%
Park fees (TANAPA, NCA, Mara, Naboisho)	1 440	2 036	2 289	12%
Total taxes & park fees paid	2 610	3 667	4 168	14%

As the table above indicates, we contributed just under USD 2.3mn (2012: USD 2.0mn) to national parks and/or otherwise protected conservation areas of East Africa during 2012-13, which represented an increase of 12% compared to 2011-12. We also paid close to USD 1.9mn in taxes (2012: USD 1.6mn), representing an increase of 17% compared to 2011-12. Our total contributions to governments, national parks and conservancies amounted to close to USD 4.2mn (2012-13: USD 3.7mn)

- We are a founding member and leading partner in the Mara Naboisho Conservancy. The Conservancy continued to gain traction, with steadily increasing visitor numbers. We took a very active role in various aspects of the Conservancy’s management, including marketing, tourism coordination, research and legal documentation.³
- After years of preparations we as Asilia are the first reputable tourism operator on Rubondo Island and envisage developing Rubondo Island NP into a successful responsible tourism destination. We intend to play an important role in various aspects of the development and conservation of the island and its neighbouring people, as we have done successfully elsewhere in East Africa.
- Out of a number of our peers we were chosen to be the leading tourism partner in the development of tourism in Gorongosa NP, Mozambique. A number of local organisations supported by the Greg

³ We also refer to the case study on the Mara Naboisho Conservancy earlier in this report describing some of the other positive impacts of the Conservancy in greater detail.



Carr Foundation have built and continue to build an impressive restoration and community development track record for the park. Unfortunately, due to the recent security issues around Gorongosa NP and the resulting negative impact on tourism prospects our project has currently been placed on hold.

- Some of our Board and management team members are actively involved in conservation organisations such as the Kenya Wildlife Trust, the Mara Naboisho Conservancy (see above as well), the Mara North Conservancy and the Honeyguide Foundation.
- We supported a portfolio of smaller local and regional projects, including, but not limited to:
 - We were an active member of the Kenya Wildlife Trust, which are a united body of professionals in the safari industry dedicated to the conservation of wildlife in Kenya, and amongst others very active in the Mara Naboisho Conservancy with various projects.
 - In Matemwe our turtle project took off during the year with more than 800 turtles safely released into the sea.
 - A village clean-up was done every Friday in local village Kogamani in Matemwe.
 - We provided a financial donation to the Rhino Ark project in Kenya⁴.

4. Research, awareness & outreach

In 2012-13 we made a positive impact in various ways in this domain:

- We donated a 3 day, 2 night stay at Sayari to a travel package put together for an auction of the London Zoological Society, which raised GBP 30,000. The winner of the 'ultimate safari experience' subsequently doubled his bid to GBP 60,000 so he could take his children on this fantastic holiday as well.
- We supported a portfolio of smaller local and regional projects, including, but not limited to:
 - Rubondo Chimpanzee Research project (financials and logistics)
 - The Serengeti Lion project (financial and tracking assistance via our GPS devices which are used by our driver guides)
 - The Serengeti Rhino repatriation project (financial and logistics)
 - The Serengeti Wild Dog project (financial and logistics)
 - The Mara Naboisho Lion project (financial and logistics)
 - The Mara Naboisho Big Cat project (as part of the Mara Naboisho Conservancy)
 - The Mara Naboisho Elephant project (as part of the Mara Naboisho Conservancy)
 - Fly 4 Elephants (logistics)

5. Sustainable operations

In 2012-13 we made a positive impact in various ways in this domain:

- We had 2 camps (Ubuntu & Dunia) fully solar powered during the year. Other camps also used solar electricity to some degree, but in a more hybrid set-up. During 2012-13 we made the decision to power our Oliver's Camp and Olakira fully with solar power.
- Sayari and Oliver's Camp used solar water boilers for all their guest tents saving significant amount of fuel based generator hours or eco-friendly charcoal. Little Oliver's will have solar hot water boilers as well.
- We use water buckets for most of our other camps, which is not only a practical way of supplying a nice guest shower but also saving water (20 litre bucket compared to average shower water usage in developed countries of well over 50 litres).

⁴ www.rhinoark.org/



- We are still one of the very few operators that make a point of active waste management. We separate plastics, glass, metal, paper and organic waste.
- We are one of the few operators that try to look for sustainable solutions in terms of buying eco-friendly products, more friendly charcoal, operational changes to minimise the use of plastics and other non-degradable waste or try to find recycling options as we for example have for all our glass bottles
- Asilia is the first company in Tanzania testing a biogas system⁵ in a National Park. If successful, the food waste can be used to generate cooking gas for kitchen in a 100% sustainable way.
- We still offset the remaining carbon emissions from our fossil fuel consumption in camps and central operations through a local community forestation program in Tanzania, Carbon Tanzania.⁶
- In May 2013 we introduced and implemented a new supplier policy which includes a supplier criteria list. At least once per year we will review our suppliers based on these criteria which are derived from international sustainability standards and select accordingly. Furthermore, where we can we also try to source supplies locally when available.

The table below sets out the 2012-13 waste and water statistics for our Tanzanian camps. Our measurement policies were further improved during 2012-13 and various eco-statistics will also be captured going forward as part of the monthly closing routine in the units, which will help in making the statistics more rigid and reliable.

WASTE & WATER STATISTICS (TANZANIAN CAMPS)						
Utility management statistics	Unit	11/12	12/13	11/12 per bn	12/13 per bn	y-o-y change
Total Waste	Kg	36,354	44,464	2.25	2.30	2%
Paper/Wood	Kg	1,582	1,874	0.10	0.10	-1%
Aluminum/Tin	Kg	2,877	2,921	0.18	0.15	-15%
Food Waste	Kg	22,100	28,287	1.37	1.46	7%
Plastics	Kg	5,405	5,106	0.33	0.26	-21%
Glass	Kg	4,927	6,710	0.31	0.35	14%
Water	Liters	10,942,000	12,486,362	678	645	-5%
Rain water	Liters	na	55,800		2.88	
Recycled water	Liters	na	187,350		9.68	

Notes:

- 1) TZ Mainland camps include Sayari, Oliver's, Dunia, Olakira and Ubuntu. New camps to be included as of 2013-14.
- 2) All figures are unaudited and not derived from our financial system, but based on monthly recordings in camp.
- 3) Though Asilia has done its utmost to ensure accuracy of the numbers the numbers are generally of a single entry nature and some marginal errors occur from time to time. Internally we monitor trends for management purposes.
- 4) Measurement of rain and recycled water is not standardised and calibrated yet, further improvements will implemented in 2013-14.
- 5) Our Kenyan camps and Matemwe are in the process of implementing measurements for their waste and water usage, and we aim to include them in future reporting.

Overall waste per bednight increased marginally year-on-year with two percent, driven by an increase in food and glass waste, both of which will require a degree of management attention going forward. However, we are pleased to note that our per bednight waste statistics for the more environmentally harmful substances such as plastic, aluminium and tin decreased significantly. Furthermore, our water consumption on a per bednight basis decreased by c. 5% year-on-year, which we view as another positive achievement. During the year we have put additional focus on rain water harvesting and water recycling, and we will continue to focus on that going forward. We therefore expect to continue to see a trend of decreased (fresh) water usage per bednight in the future.

⁵ www.simgas.com

⁶ www.carbontanzania.com



The table below sets out the 2012-13 fuel usage statistics for all our properties.

FUEL STATISTICS (TANZANIA & KENYA)						
	Unit	11/12	12/13	11/12 per bn	12/13 per bn	y-o-y change
Generator Hours	Hours	10,866	12,315	0.54	0.52	-4%
Diesel	Liters	132,902	161,423	6.64	6.81	3%
Petrol	Liters	7,643	6,640	0.38	0.28	-27%
Kerosene	Liters	11,186	9,467	0.56	0.40	-29%
Gas	Bottles	536	556	0.03	0.02	-12%
Carbon output	Carbonton	472	546	0.02	0.02	-2%

Notes:

- 1) *Matemwe and new camps such as Little Oliver's, Mara Bush Houses and Olakira Lamai will be included as of 2013-14.*
- 2) *All figures are unaudited and not derived from the financial system, but based on monthly recordings in camp.*
- 3) *Though Asilia has done its utmost to ensure accuracy of the numbers the numbers are generally of a single entry nature and some marginal errors occur from time to time. Internally we monitor trends for management purposes.*
- 4) *All Carbon emission figures are calculated based on the standards from the World Resource Institute and the IPCC (Inter-governmental Panel on Climate Change).*

We were able to further improve our overall utility usage per bednight during 2012-13, as evidenced by the 2% year-on-year reduction in carbonton output per bednight. Our usage of kerosene, petrol and gas decreased significantly, partially due to the installation of solar power systems and partially through active management focus, however this was to some extent offset by an increased use of diesel. This can be explained by the strong increase of bednights which requires us to use our game drive vehicles more (intensely). Our diesel (vehicles and generator) usage will be a key point of management focus for the upcoming year as that offset several good realised savings in the past. The installation of full solar systems in Oliver's and Olakira Camp in 2013-14 is expected to help to decrease the usage of generators significantly.

One of the key goals of our positive impact strategy going forward is to increase the measurability and accuracy of our positive impact reporting, which will provide us with a more comprehensive insight into the sustainability of our operations, and allow us to implement further initiatives aimed at improving sustainability.



Impressions from a new bioogas installation in Oliver's Camp Taranqire



Delivering positive impact - Our own people

Asilia currently employs over 550 people (excluding casual labour); more than 95% have an African nationality and more than 30% come from one of the local rural communities in the areas in which we operate. We aspire to be a caring employer for this 'Asilia family', with great training & development opportunities and with general staff care scoring in the top quartile of our industry on all fronts.

The table below sets out the key employment statistics for the 2012-13 financial year and their development over time.

EMPLOYMENT KEY STATISTICS	2010 - 2011	2011 - 2012	2012 - 2013*	Delta 11-12 vs. 10-11%	Delta 12-13 vs. 11-12 %
<i>figures are in # unless stated differently</i>					
Number of total people employed (including seasonal/part time)	379	448	577	18%	29%
Number of people employed from rural communities	102	119	179	17%	50%
<i>As a % to total # people employed</i>	27%	27%	31%	-1%	17%
Number of females	54	71	93	31%	31%
<i>As a % to total # people employed</i>		16%	16%		2%
Number of managers	32	52	66	63%	27%
<i>As a % to total # people employed</i>	8%	12%	11%	37%	-1%
Number of female managers	8	19	23	138%	21%
<i>As a % to # managers</i>	25%	37%	35%	46%	-5%
Internal promotions	na	26	35		35%
Net new jobs created	40	69	129	73%	87%
Number of people voluntarily resigned	32	29	37	-9%	28%
<i>% of voluntary turnover during 2010-2011</i>	9%	7%	7%		
Total hours of training provided during	25 263	33 333	29 082	32%	-13%
Average hours of training per staff member	70	81	66	16%	-19%
<i>% of staff whom received at least one training</i>	na	~ 90%	~ 90%		
Gross salaries staff and casuals ('000 USD)	2 160	2 980	3 429	38%	15%
External training costs employees ('000 USD)	45	94	108	109%	15%

1) The 2012-13 numbers are either as per the 31 May 2013, or as totals for the whole financial year.

2012-13 was another year of strong growth for the company, in many ways, and we realize that we would never have been able to achieve this growth without the effort and commitment of our existing and new staff members. Our employee base rose significantly to accommodate our enlarged footprint, yet more importantly people employed from local communities (typically characterized by high rates of unemployment and very limited opportunities for livelihood and development) as a percentage of our workforce rose from 27% to 31%. The percentage of female managers in the organisation continued to be c.35% in 2012-13, which is something we are especially proud of. As every year we saw a high number of internal promotions and people moving up within Asilia, which we feel is testament to and a direct result of our continued organisational focus on and efforts put into the training and development our staff. In 2012-13 we estimated to have spent over c.3% of our total pay-roll on training of our staff⁷ and we expect to increase this percentage in 2013-14.

Our employment policies and procedures meet local and international standards. As an organisation we respect and abide by all applicable local labour laws and regulations, as well as the generally accepted ILO standards, IFC Sustainability Standards and World Bank EHS Guidelines to the extent applicable for our type of organization and work environment. New policies added recently include the Whistleblowing Policy and a staff Code of Conduct.

⁷ This includes both external costs and internal time, cost and effort spend on training. Management salaries are not counted though



We ensure that all employees and their direct family have access to adequate basic local medical care, as locally defined, complementing government services where these fall short.

Delivering positive impact – Involving our guests

Our Own People - Case Study

Christine Malaso Pesi is a young Maasai woman born 10km southeast of Naboisho Camp. In late 2011 Christine joined the Koiyaki Guiding School, and she subsequently completed her practical training at Naboisho Camp. Christine is now a full-time guide at Naboisho Camp, and one of the very few female Maasai guides in the Greater Maasai Mara Area and the industry in general. Asilia traditionally sponsors one student a year at the Koiyaki Guiding School, and every year both Rekeru and Naboisho take on a couple of students for their practical training



Asilia welcomes thousands of guests every year - some of them influential and famous, all of them passionate about nature. We strongly believe in creating general awareness and public support for conservation and community empowerment, and we feel that our guests can act as 'ambassadors' for these issues upon returning home. We therefore actively make our guests aware of the challenges in the field of conservation and local poverty, explain how their visit to the area benefits the area and its people, and enable them to get involved after their visit.

Positive impact is integrated in every aspect of guest experience in a pleasant & inspirational way. Examples include:

- Pre-holiday – through information on the Asilia website (the picture below show the new layout and positive impact section of the website) as well as through materials & information shared by travel agents with guests.
- During the trip with Asilia – the Asilia Family Orientation Program ensures that all of our staff understand and have the tools to communicate our positive impact agenda to our guests, and be able to tell guests which projects we support in each area and why.
- Upon return – People can express their interest to remain involved. Each of the Asilia newsletters as well as the company website describes a number of projects we support and which need donations.

Case Study – Our Guests

Pack for a purpose asks travellers to make use of their full baggage allowance by packing 5 pounds / 2.5kg of supplies for a good cause, and delivering the supplies directly to that cause, generally located close to the holiday destination. Matemwe and its guests support the school in Kigomani, the neighbouring village, by donating books and equipment through this initiative (the same is done at Naboisho).





Our guests often are highly interested in the conservation and community development projects in those areas operate in that we support or can recommend and are often willing to donate these causes.

During 2012-13 a total of over USD 69,000 of counted contributions and various contributions in kind were donated by guests and passed on by Asilia. As Asilia we have regularly facilitated, supported and initiated such donations. In fact, we have been doing this on such a regular basis that we identified the need for a more structured approach – the Asilia Charitable Trust.

In addition, Asilia has donated USD 42,000 on various charitable projects and/or community relations in the 2012-13 financial year. Asilia also supported the chimpanzee research and habituation project on Rubondo Island for an amount of USD 62,000. On a per bednight basis that implies that Asilia donated USD 1.36 per bednight and raised USD 2.24 per bednight via its guests and another USD 2.02 per bednight was used for conservation research on Rubondo island. A total of well over USD 5.00 per bednight. It should be noted that the accuracy of these figures will improve in the coming years with more rigid reporting frameworks being installed at the time of writing.

We are currently in the process of setting-up this trust, which will be independent from Asilia both financially and in terms of governance. Guests will be able to donate efficiently through these structures to a number of well-governed wildlife conservation, community development and research projects which we as an organization believe need financial (and sometimes non-financial) support and will make the most efficient use of that support. The selection of these projects will be based on our on-the-ground experience of the key challenges in each of those areas in which we operate as well as the credible and results orientated initiatives that deserve our support.



The objectives of the Asilia Charitable Trust can be summarised as follows (as taken from the concept paper):

The Asilia charitable entity is organized and operated exclusively for educational, conservation and community empowerment purposes. The specific (exempt) purpose(s) of the charity include:

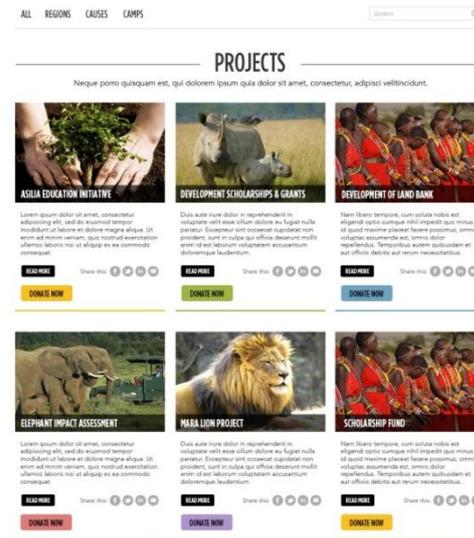
- *The advancement of community development;*
- *The advancement of environmental protection, wildlife and crucial habitat conservation and/or improvement;*
- *The advancement of outreach and communication to promote and increased appreciation of biodiversity and nature;*
- *The advancement of community health and/or the saving of lives;*
- *The advancement of education; and*
- *The advancement of science and research.*

We are currently in the process of creating a web platform that allows guests to donate directly to projects they prefer. An impression of this exciting new website is provided to the right.



Asilia will provide support to this Trust in the following ways:

- A contribution of USD 1 per bednight, leading to an annual income stream of USD 35 – 45,000 in the foreseeable future providing a floor for the projects. With future growth of our business we aim to increase this even further
- Content delivery in the form of projects to support as well as on the ground support
- Accounting/administrative services
- Website management



A clear conflict of interest policy has been formulated as part of the governing documents of the Trust and independent trustees will oversee the implementation and the annual audit. A concept paper for the Asilia Charitable Trust is available via the Company's Executive Team or the Trustees upon request.

The Trust is in the process of being set-up both in the UK and the US and aims to benefit from tax benefits for its donors. In the 2013-14 annual report a separate section will be reserved for the independent annual report of the Trust to ensure that the trustees can report on their statutory duties as well as the achievements for the year.

A special and customised external audit will be performed by Deloitte for the 2013-14 financial year as part of the group audit.



Delivering positive impact – General role model for the industry

Asilia delivers positive impact in a number of other ways. By setting general standards, through industry organisations, through taxes and levies etc. We aspire to be a general role model in the industry. Tourism & travel is peculiar in the sense that even though it is one of the most important sectors in sub-Saharan Africa (top-3 employer and hard currency earner in Tanzania & Kenya), it is a fragmented industry with limited leadership and in need of good role models which raise the overall industry standards.

Most of our Board members and management team members – the ‘Asilia circle’ of likeminded people - are actively involved with various local and national organizations and initiatives to improve the standards and positive impact of tourism or to progress related good causes in community support and conservation. Organizations where members of the ‘Asilia circle’ are actively involved on an individual basis include: the Interpretive Guide Society Tanzania, the Tanzania National Resource Forum, the Kenyan Tourism Federation, the Mara Naboisho Conservancy, the Mara North Conservancy, the Kamitei Foundation, the Honeyguide Foundation, Responsible Tourism Tanzania, the Hotel Association Tanzania and others.

As an example, we are an active member of the Hotel Association Tanzania, which was amongst others the industry body responsible for the standardization of lease agreements in the National Parks in Tanzania (an important step for the improvement of the lodge/camp standards in Tanzania and for attracting reputable long-term investors). Furthermore, we were recently (with some success) actively involved in representing the industry in discussions with the Tanzanian Government on the potential implementation of several adverse tax initiatives.

Case Study – General Role Model

Asilia was a founding partner of Responsible Tourism Tanzania (“RTTZ”) and is currently a Trustee of RTTZ. RTTZ’s standards have been established in consultation with the tourism private sector (Asilia was a guinea-pig for the development of these standards, which were initially based upon Asilia’s own internal audit practices). The RTTZ standards were developed to address local environmental conditions whilst incorporating the new Global Sustainable Tourism Council (“GSTC”) guidelines. Asilia has also accommodated the training and internships of RTTZ’s local auditors in Tanzania.

On the back of the successful set-up of Mara Naboisho Conservancy, we are taking a leading role in setting up a Greater Maasai Mara Conservancies umbrella organization, which will be key to the long-term conservation of the wildlife in and surrounding the Reserve (the Reserve is only a fraction of the Greater Maasai Mara ecosystem, which is increasingly under threat from overdevelopment).

Executing our positive impact ambitions in 2013-14

Impact features in every aspect of our internal and external company communication including our vision, strategy, corporate identity, company culture, guest experience and policy and procedures. Practically, in order to realize our positive impact ambitions, we recognize the importance of embedding them throughout the group as a whole and at different levels within the group. We have therefore incorporated positive impact into our management cycle, reporting structures and metrics, and have set SMART commitments on positive



impact for all departments and areas for 2013-14. We will do regular follow-up sessions and where necessary internal audits to ensure that we are on track on delivering on these goals.

External recognition & auditing

Our strong positive impact performance continued to gain recognition from third parties, both within and outside of our own industry. External audits and outside recognition provide a degree of success of our efforts on the positive impact front, as well as more generally a degree of validation of our vision and approach.

The table below provides an overview of the main awards we received during the 2012-13 financial year.

Award	Comments
	<ul style="list-style-type: none"> In the second half of 2012 Asilia became a Certified B Corporation as one of the first companies in Africa. Thereby it joined the leading global movement of entrepreneurs that use business to solve social and environmental problems. This is important recognition in the United States in particular.
	<ul style="list-style-type: none"> We were subsequently nominated as one of B Corp’s Best for the World overall companies, which recognizes those companies that create the most positive overall social and environmental impact (i.e. we scored in the top 10% of all B Corporations, of which there are currently over 800 in 27 countries worldwide). As such we were recognized and published in Bloomberg Businessweek.
	<ul style="list-style-type: none"> In August 2012 we were the first sustainable safari/lodge company in Africa to receive a 5-star rating for sustainability from GIIRS, and we continue to be one of the few East-African companies to be rated by GIIRS. The GIIRS rating process continues to be one of the strongest external audits on our overall company social and environmental performance over time.⁸
	<ul style="list-style-type: none"> Naboisho Camp was recognised for providing an authentic holiday experience in an environmentally and culturally responsible way.
	<ul style="list-style-type: none"> During 2012 Oliver’s Camp & Sayari successfully completed their Sustainable Tourism Education Program (STEP) assessments and were awarded the STEP Bronze Eco-Certification level.

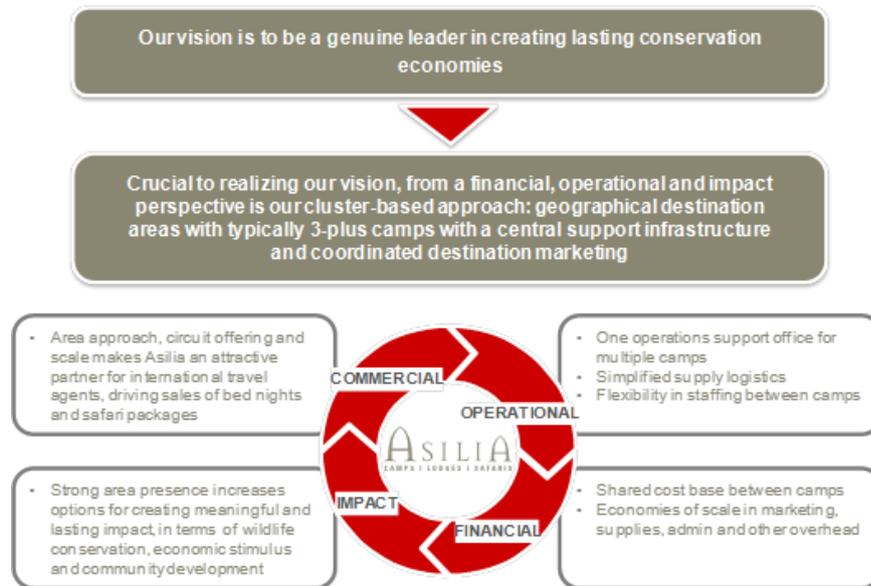
⁸ Further information on GIIRS, the rating process and what it means for Asilia can be found in the 2011-12 annual report.



Economic sustainability is an often-overlooked dimension when it comes to reviewing an organisation’s positive impact and sustainability. By having a healthy, profitable and cash-generative business we are able to continue to operate in those areas in which we have properties, with all the associated positive impacts on natural habitats, wildlife and local communities (including contributions to governments and parks/conservancies) as well as be able to invest in new, pioneering destinations where wildlife is under significant pressure.

Building sustainable conservation economies

The graphic below illustrates our thinking on economic sustainability and how it drives positive impact (as well as net bottom line financial results for our stakeholders).



As can be read elsewhere in this Annual Report, our business continues to grow and show healthy operational and financial performance indicators. More important though, the Asilia product and guest experience is very much recognized and valued in the market place, as well as our scale (we are now one of the largest operators in our segment in East Africa), resulting in more and more demand from agents and the driving enhanced sales of bednights.

Given our relatively fixed cost base, these additional bednights sold and increased occupancies in turn increase our overall profitability, our long-term success and economic sustainability. In this sense our strategy of building clusters of 3 camps and / or 60 beds or more has really proved to pay off in Tanzania, and we expect to see the same financial impact in our Southern Kenya cluster in 2013-14. Other factors such as the improvement of operational standards and internal controls as well as a stable long-term funding base ensure that Asilia has the robustness and financial strength to continuously re-invest in its operation and thus remain competitive and attract good tourism volumes for the years to come and therefore continue to deliver on its positive impact ambitions.



ASILIA
CAMPS | LODGES | SAFARIS



Topi House drinks at the fireplace



Rubondo lounge view from the rocks

