

NATIONAL SOCIAL SECURITY FUND INTEGRATED REPORT 2023



**Building resilience for
inclusive prosperity**



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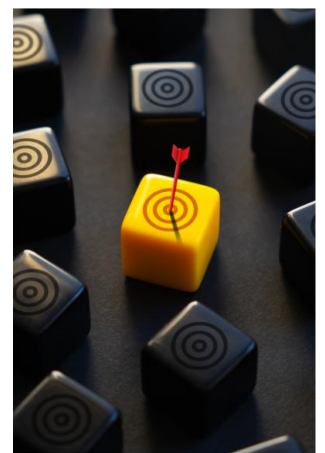
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1. OUR REPORT OVERVIEW

Introduction

Our Integrated Annual Report serves as a powerful reflection of our organisation's journey and resilience over time, encapsulating our strategy, performance, opportunities, and outlook concerning critical financial, economic, social, governance, and environmental matters. With a steadfast focus on value creation and preservation, we are committed to mitigate any factors that could erode value, both in the short and long term.

We wholeheartedly recognise the profound impact of our business activities on society and the environment for inclusive prosperity. Consequently, we embrace our opportunity and fiduciary duty to ensure a positive and transformative influence on all stakeholders. We passionately believe that fostering efficient and sustainable operations, coupled with our commitment as a responsible corporate citizen, are prerequisites for generating enduring value over time.

Embracing the principle of integrated thinking, we seamlessly strive to infuse it into our business practices and reporting standards. Hence, we actively shoulder the responsibility of consciously advancing integrating environmental, social, and governance (ESG) factors into our strategic decision-making, investment choices, and operational processes.



This report has been aligned to the Integrated Reporting (IR) Framework. It is also in compliance with Uganda's National Social Security Fund Amendment Act 2022, which was gazetted into law on 7 January 2022.

“National Social Security Fund,” “NSSF” and “The Fund” are interchangeably used but refer to the same entity.

We are proud to present our integrated report to you for the year ending 30 June 2023.



Purpose, scope, and boundary of our report

Our integrated report is a demonstration of our value creation story and our commitment to foster shared prosperity for our members, the economy, and society at large.

It aims to provide a balanced and accurate reflection of our strategy, performance, risks, opportunities, trade-offs, and future outlook on material financial, economic, social, and governance issues. This report primarily addresses how we create value over the short, medium, and long term, with a demonstration of the effects on the six capitals providing our stakeholders with a transparent and holistic view of our business operations.

This integrated report covers the performance of the National Social Security Fund (NSSF), both from a financial and non-financial perspective, for the financial year ended 30 June 2023.

Materiality

This report discloses information about matters that substantively affect our ability to create value over the short, medium, and long term.

We consider the concept of double materiality, which encompasses both internal and external factors that shape our value creation journey.



Within this framework, we acknowledge two dimensions of materiality as follows:



INTERNAL materiality pertains to issues that substantively influence our internal operations, risk management, and financial performance



EXTERNAL materiality encompasses factors that have significant implications for our external stakeholders and the broader environment, such as social and environmental risks, regulatory changes, and emerging trends

This ensures that our stakeholders gain insights into the material factors driving our immediate operational success, as well as our strategic initiatives and investments that shape our medium and long-term resilience, growth, and positive societal and environmental impacts.



Our materiality determination process is continually assessed and approved by our Board to ensure relevance of our strategy.

Materiality determination process

- Identify matters by scanning the internal and external environment
- Prioritise matters and formulate the strategic risks and opportunity register
- Define strategy and targets incorporating performance measures

[Read more](#)

Forward-looking statements

This report may contain forward-looking statements with respect to the Fund's future performance and prospects. While these statements represent our judgment and future expectations at the time of preparing this report, several emerging risks, uncertainties, and other key factors could cause actual results to differ materially from our expectations. These include factors that could adversely affect our business and financial performance.

Outlook

Outlook information comprises challenges, opportunities, and disruptive factors we have identified that have the potential to affect the achievement of our strategic objectives and our mitigating response as well as opportunities identified. Outlook information can be found throughout this report; however, most of this information can be found in our outlook section.

[Read more](#)



1. OUR REPORT OVERVIEW

KEY COMPONENTS OF THE INTEGRATED REPORT, SUCH AS GOVERNANCE, RISK MANAGEMENT AND CONTROLS ARE ASSURED.



LINE OF DEFENCE
MANAGEMENT



LINE OF DEFENCE
LEGAL, RISK & COMPLIANCE



LINE OF DEFENCE
INTERNAL AUDIT

Internal controls and assurance

The Internal Audit function supports the integrity and transparency underlying integrated reporting, by providing an independent reassurance on business sustainability. Internal Audit's role is achieved through providing assurance on financial, as well as non-financial reporting, governance, risk management, and control processes supporting the main objectives of integrated reporting.

The Internal Audit function provides independent and objective assurance of the design and operating effectiveness of the framework of risk management, controls, and governance processes, focusing on the areas of greatest risk.

External audit

The external auditors undertake audits of the Annual Financial Statements. The Auditor General appointed PwC Uganda to conduct an annual audit of the National Social Security Fund for the year ending 30 June 2023. The auditors issued an unqualified audit opinion, in accordance with International Financial Reporting Standards and in the manner required by the Uganda Retirement Benefits Regulatory Authority Act and the NSSF Act, a testament of the Fund's healthy financial state.

Combined assurance

Accountability is clear within the three lines of defence model, with assurance providers working together to provide coordinated assurance. Enterprise Risk Management, Legal, and Internal Audit work collaboratively to provide combined assurance on risk, compliance, and internal controls. Combined assurance ensures that there is comprehensiveness in terms of coverage and avoidance of duplication. Assurance is provided on financial and non-financial information.

Internal Audit's role in Integrated Reporting

Internal Audit in the Fund is well-structured and aligned to enterprise value creation. Integrated reporting entails leveraging all the factors contributing to the generation of enterprise value, and Internal Audit's comprehensive perspective on the Fund enables it to link together the different elements. The Fund recognises that integrated reporting, must be built on a strategically crafted system of internal controls including assurance, and accurately reflecting how the Fund's value creation efforts relate to each other.

Value creation initiatives and reporting, as with the creation and protection of enterprise value overall, require the Board, Management, and Internal Audit to work collectively to align with each other, prioritising the interests of stakeholders.

Internal Audit provides objective assurance independent of Management, to give the Board the confidence of the accuracy and integrity of the integrated report content.

Internal Audit (IA) provides assurance on the components of Integrated Report, through:

- Evaluation of the integrated reporting processes
- Evaluation of the adequacy of governance, risk management and controls processes related to financial and non-financial capitals
- Provision of assurance on the integrity of data
- Reviewing the key risks and opportunities within the Fund

IA widened the scope in the audit plan for FY 2022/23 to incorporate additional procedures to measure and monitor the financial and non-financial capitals.

The focus for FY 2023/24 is to deploy continuous auditing to provide real-time assurance to our stakeholders.

IA has provided assurance on the six Capitals as highlighted below



Manufactured

- Information Technology (IT) infrastructure including the implementation of the Pension Administration System.
- Real estate portfolio including the process of land acquisition, the development of projects, and management of the Fund's properties and the land bank.



Financial

- The Fund's strategy and business performance objectives.
- The contributions collections, benefits payments, income, and administration costs.
- Investment processes aimed at obtaining competitive returns, to safeguard and deliver value for members.
- The financial reporting processes to give assurance on the accuracy, completeness, and integrity of the financial information and compliance with reporting frameworks.



Social & Relationship

- Evaluation of the Fund's strategic partnerships, third party providers such as suppliers, Banks, contractors, customers, investee companies.
- The implementation of the Hi-Innovator programme and its related policies, procedures, and partnerships.
- The Corporate Social Responsibility activities and their impact to the wider community.



Human

- The implementation of the organisation restructuring exercise, recruitment processes, rewards and benefits, and the implementation of the corporate training plan.



Natural

- The Environmental, Social and Governance (ESG) frameworks and the compliance requirements within the Fund and the potential equity investment partners.



Intellectual

- The Fund's brand, data, policies, procedures, and internal frameworks.
- The data management and cyber security processes to provide assurance that key vulnerabilities have been identified and efficient and cost-effective data protection strategies have been built in the IT infrastructure.

1. OUR REPORT OVERVIEW

Reporting frameworks

Our Integrated Report is guided by various codes and standards as follows

- King IV Report on Corporate Governance for South Africa (King IV™)
- UK (United Kingdom) combined Code on Corporate Governance
- Integrated Reporting Framework (IR Framework) of the IFRS Foundation
- Global Reporting Initiative (GRI standards)
- Sustainable Development Goals (SDGs)
- International Financial Reporting Standards (IFRS)
- Uganda Retirement Benefits Regulatory Authority Act and the NSSF Act

Our approach to value creation, preservation, and erosion

Our financial, human, manufactured, intellectual, social and relationship, and natural capitals facilitate every aspect of our business and our ability to create long-term value.

We have accordingly defined our structure, activities, and performance against our strategy in this report in terms of these six capitals. Value creation, preservation, and erosion are the consequences of how we apply and leverage our capitals as part of our strategy execution and are evident in how these capitals change over time.

Our Value Creation process is illustrated in our business model.



[Read more](#)

VALUE CREATION

We create value and make lives better by passionately dedicating ourselves to make saving a way of life, to enable more people to improve their well-being and take charge of their financial future

VALUE PRESERVATION

The Board ensures value preservation by safeguarding its stakeholder interests and enhancing long-term value through responsible decision making, considering the wider impact of environmental and social and governance (ESG) factors, to maintain stability and future economic growth.

VALUE EROSION

The Board defends against damage to stakeholder value including value erosion, reduction, and destruction by leveraging our capitals as part of our business model and strategy. Careful consideration is applied to the relationship between the capitals we use or affect, and the potential trade-offs inherent in our strategic choices.



Integrated thinking

Integrated thinking helps us to expand the boundaries of our mindset, seeing ourselves as part of a larger system and considering the wider impact of our decisions, beyond short term financial rewards.

The Fund embraces integrated thinking through our strong stakeholder relations, robust risk mitigation processes, governance, how we care for our people and stakeholders, ongoing effective transparent communication, and embracing opportunities for digital innovation, and acting with agility to respond to the new provisions of the NSSF Amendment Act 2022 that has ensured our business has remained resilient.

Integrated report recognition

The Institute of Certified Public Accountants (ICPAU), the Uganda Securities Exchange (USE), and the Capital Markets Authority (CMA) host the Financial Reporting (FiRe) Awards on an annual basis.



NSSF emerged as the overall winner for the 2022 annual Integrated Report at the Financial Reporting Awards organised by ICPAU. We were also winners in the Public Sector category and runners up in Communication, Sustainability and Corporate Governance awards.

We received the gold award for overall winner at the 12th Financial Reporting (FiRe) Awards and remain committed to continually improve our corporate reporting.

The Fund also won the Regional Category in the Corporate Governance Institute of South Africa (CGISA) awards.



The Fund also won the Regional Category in the Corporate Governance Institute of South Africa (CGISA) awards.

Process to produce our integrated report

The report preparation and presentation process are governed by our Board and led by the Executive Committee, with responsibility assigned to a core IR Team, comprising a cross functional working group of subject matter experts with oversight of the CFO (Chief Financial Officer) as the overall project coordinator.

Our 2023 integrated report is prepared with information sourced from minutes of the Board and Executive Committee meetings and workshops as well as financial and non-financial reporting information.

The report drafts are reviewed by a formalised IR Forum, before they are tabled to the Executive Committee, and then finally recommended by the Audit and Risk Assurance Committee and approved by the Board. The Board ensures the integrity of the integrated report through our integrated reporting process, with the Audit and Risk Assurance Committee ensuring that the appropriate assurances are provided by the Executive Committee, internal audit, external audit, and independent service providers.

Board approval

We have implemented the following rigorous measures to safeguard the integrity and credibility of our integrated report

Establishing robust systems, procedures, and controls that encompass diverse input, checks and balances, internal controls, and the utilisation of reputable sources to ensure the completeness and accuracy of information.

Assigning appropriate responsibilities to ensure that the reported information is based on inputs, compilation, and review conducted by subject matter experts, internal and external assurance providers, responsible executives, and various work groups and committees.

Ensuring thorough oversight and involvement of the governing body throughout the preparation process, including the approval of the preparation process itself, determination of materiality, setting parameters for the report's scope, and the final review and approval of content by the governing body committee and governing body itself.

The Board, assisted by its sub-committees, is responsible for overseeing the integrity of our integrated report and verifies that they have applied their collective mind in the preparation and presentation thereof.

The Board confirms that after a comprehensive review, it is satisfied that the content is accurate, complete and a fair reflection of the Funds material matters, presented in accordance with the Integrated Reporting (IR) Framework. The board approved the 2023 Annual Integrated Report on 26 September 2023. Any material events up to the board approval of this report are also included.

Dr. Peter Kimbowa
Chairman, Board Of Directors

1. OUR REPORT OVERVIEW

About our Theme

Building resilience for inclusive prosperity

The National Social Security Fund of Uganda has demonstrated unwavering resilience throughout its existence, steadfastly pursuing its mission to foster shared prosperity among its members, the economy, and society at large.

We remain dedicated to transparency, accountability, and ethical leadership, readily acknowledging areas for improvement as we strive to become the premier social security institution in East Africa. We are not defined by our setbacks, we will gauge our success by our ability to learn from these and rise above them with renewed vigour and determination to fulfil our mandate.



First and foremost, NSSF endeavours to enhance the quality of life for all employees in the private sector, including non-government organisations, by offering a safety net against life's uncertainties through the provision of comprehensive social security services.

Through the recently enacted NSSF (Amendment) Act 2022, we are expanding social security coverage and enriching the range of benefits available to savers. This legislation is designed to promote shared prosperity by ensuring that all employees are safeguarded and empowered to lead better lives. It enables savers to invest in their future and plan for retirement, thereby establishing financial security for themselves and their loved ones.

Additionally, we recognise our responsibility as a conscientious corporate citizen to generate sustainable value for our members, stakeholders, and society. We are committed to implementing environmental, social, and governance (ESG) practices and pursuing objectives that secure our long-term prosperity.

Shared prosperity also entails supporting our members beyond retirement. To achieve this, we aspire to unlock the entrepreneurial potential of Ugandans through collaboration. Our entrepreneur programme aims to expand work opportunities, particularly for women and youth, fostering economic empowerment and inclusion.

By actively supporting the development of small, medium, and micro-enterprises (SMMEs) and entrepreneurship, we can make a tangible and significant socio-economic impact, advancing progress towards sustainable and inclusive economic growth.

Navigating our Report

Navigation icons

Throughout this report, we use the following navigational icons to show the interconnectivity between core concepts and the various sections of this report. Working together and separately, these elements have the potential to impact (positive and negative) our ability to create value over the short, medium, and long term.

Capitals

Our financial, human, manufactured, intellectual, social and relationship and natural capitals facilitate every aspect of our business and our ability to create long-term value.

We have accordingly defined our structure, activities, and performance against our strategy in this report in terms of these six capitals.

We are dependant on the form of capital available



INPUTS

How we use them



VALUE-ADDING ACTIVITIES

Our impact the them and the value we deliver



OUTPUTS & OUTCOMES

The 6 Capitals



Financial Capital

This tackles how we manage the Fund responsibly and in a profitable manner. We do this by making prudent investment decisions from our members contributions and competitive investment returns, which enable us to sustainably grow our assets and the members' Fund.



Human Capital

This resides in our employees, who are also members of the Fund and have a strong alignment with the rest of the NSSF members. In addition, the ability to attract, develop, enable, and retain the best talent is one of the Fund's top objectives. We aim to create an exciting and vibrant work environment and we work continuously to provide our people with attractive career paths that will make them experts in their fields.



Intellectual Capital

This lies in the Fund's reputation. Institutional knowledge and experience are intangible assets that have been built over time and have instilled confidence in us among our stakeholders and in Uganda at large.



Manufactured Capital

This comprises our governance, business processes, building infrastructure, leading systems as well as our investment in information technology infrastructure and innovation that together enable us to manage the organisation in a prudent and professional manner.



Natural Capital

This is the effect of our operations on the environment and the sustainable development goals.



Social And Relationship Capital

This comprises the relationships and collaborations we have with our key stakeholders – our members, employees, suppliers, communities, the Board, the Ministry of Finance, the Ministry of Gender, Labour, and Social Development and our regulator URBRA, as applicable.

At times we need to make trade-offs between our capitals.



[Read more](#)

1. OUR REPORT OVERVIEW

Stakeholders



Members



Employees



Regulators & Legislators



Suppliers



Communities



Industry Associates

Strategic Objectives



Increase Customer Satisfaction



Increase Profitability



Increase Productivity



Increase Staff Satisfaction

Materiality Themes

Material matters are those issues that could affect our ability to create value in the short, medium, and long term.



Governance challenges



Regulatory change



Global economic uncertainty



Digital acceleration



WEB



PLAY



READ

Sustainable development goals

We have prioritised stakeholder issues according to their economic, environmental, social, and financial impact as guided by the GRI reporting framework and have adopted the Global Reporting Initiatives (GRI) G3/G3.1 for purposes of this report.

GRI supports the UN (United Nations) 2030 Sustainable Development Goals (SDGs), and our report demonstrates that the activities undertaken by the Fund contribute to the objectives of the SDGs, however a formal SDG strategy is not in place. Our business activities are geared to have a positive impact on people, the planet and prosperity.

The Fund contributes to the following 11 SDGs:



Board and Board Committees

“Through a clear social purpose, we aim to create long-term sustained value underpinned by sound ESG principles”

Dr. Peter Kimbowa – CHAIRMAN, BOARD OF DIRECTORS



Main Board



Staff Administration and Corporate Affairs (SACA)



Audit and Risk Assurance Committee (ARC)



Finance Committee



Investments and Project Monitoring Committee (IPMC)

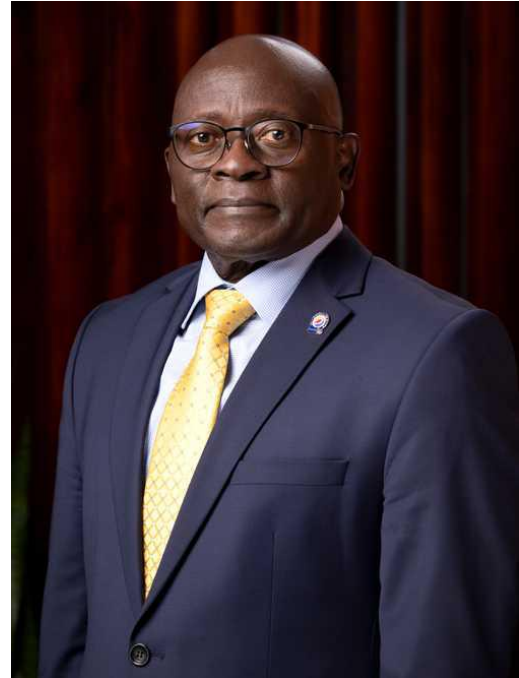
Top Risks



1. OUR REPORT OVERVIEW

Chairman's Statement

“In the face of a tumultuous year, the National Social Security Fund of Uganda has demonstrated unwavering resilience and commitment to deliver on our purpose and mandate. During the financial year (FY) 2022/23, the number of Fund members increased by 12.55% to 733,558 members and contributions grew by 15% to UGX 1.72Tn.”



Dr. Peter Kimbowa
Chairman, Board of Directors



Reflections on the past year

Looking back at the past year, the latter half has fortified the Fund's determination to maintain exceptional performance during challenging times. Our performance throughout the year has consistently exceeded the average, aligning with our strategic goals set for 2025.



Noteworthy is our favourable compliance rating from the Regulator, signifying our commitment to maintaining compliance across all Fund levels, surpassing the norm. We have continued to foster strategic partnerships with entities from the public, private, and civil sectors, further solidifying our community presence and vision for inclusive prosperity.

Although our performance remains robust, a reshaping of our investment portfolio is imperative to create broad-based value within Uganda.

A significant development this year was the Parliamentary inquiry into the Fund's operations. Overall, NSSF has been found to uphold the required professional standards, with no significant concerns raised by the anti-corruption coalition. The lessons learned from these investigations will be integrated into our processes to enhance member value.

As a Board, our top priority is to be transparent and rebuild trust among members, staff, external stakeholders, and the broader public following these events. I reassure members that their funds are secure and thriving.

The Fund's momentum to strategy 2025

Advancing towards our Strategy 2025, which aims for 95% staff satisfaction, 1–day turnaround time, 95% customer satisfaction, and a 20 trillion Fund, it is commendable that our team remained driven in pursuit of these goals despite the challenges. Management has consistently communicated these objectives, fostering a shared understanding among staff, and progress is meticulously monitored in line with the strategy, ensuring a focused approach.

I would like to invoke the Latin phrase "E pluribus unum," meaning "Out of many, one." This signifies our unity as a team, where the Fund's success hinges on each one of us.

Implementation of the NSSF Amendment Act

Regarding the implementation of the NSSF Amendment Act, FY 2021/22 saw the introduction of midterm access as a significant impact. Leveraging enhanced operational methods and technology, along with a strong branch network, the Fund has flourished while offering this benefit to eligible members.

While certain aspects of the amended Act are still in transition, a clear action plan has been devised. Equipped with the necessary talent and technology, we are poised to introduce innovative products to the public. Delays caused by the Parliament's release of NSSF regulations have impeded early implementation, but we are ready to proceed once these regulations are passed.

Outlook for the year ahead

As we look towards the next 12 months, there are several key aspects that we shall focus on:

Embracing technology to provide customised services and expand our reach

The Fund functions as a technology–driven entity and will continue to leverage technology to offer tailored services across all market segments. We intend to employ technology to both strengthen and widen our presence in Uganda and the surrounding region, extending into spaces occupied by SACCOs, investment clubs, and village saving groups.

Reshaping the investment portfolio for resilience and broadening our impact

Legal limitations presently restrict our investment structure, such as the inability to invest beyond East Africa. With the Africa Continental Free Trade Area emerging, NSSF aims to capitalise on this opportunity for increased value creation beyond the region. Exploring the agricultural sector value chains, rich with potential, is also part of our strategy. To move beyond conventional investments like fixed income, equities, and real estate, we are establishing an adaptable internal innovation hub at all Fund levels to facilitate this portfolio reshaping.



1. OUR REPORT OVERVIEW

Strengthening partnerships with government and institutions to drive infrastructure development

Acknowledged as a crucial element within Uganda's stringent post-Covid-19 budget provisions, the Fund is perceived by the Government as instrumental. While traditional limitations restrict the Fund's investments to real estate, fixed income, and equities, there's growing recognition that our institution should actively support the government's agenda for infrastructure development and socio-economic recovery, aligning with Uganda's National Development plan.

Therefore, in the next year, we shall develop a robust multistakeholder engagement approach with both technical and institutional partners such as local governments and private sector organisations.



Scaling up sustainability efforts based on ESG principles

The Fund has made significant strides in promoting sustainability aligned with the (17) seventeen UN SDGs. This year, we took a step forward by releasing our inaugural ESG report. This report showcases our initiatives including the staff wellness programme, financial literacy efforts, innovative landmarks like Pension Towers and the Lubowa Housing project, educational institution construction, and support for small businesses through the Hi-Innovator project, among others. We are in the process of formalising our ESG strategy and framework. Although a lot of work has been done, the accountability ecosystem for sustainability will continue to be scaled up.

Using digital and analytics for informed decision-making

The Fund has a large pool of data-driven knowledge from the market business environment and the legal and regulatory space. We are therefore embedding data and analytics into decision-making processes to make informed decisions that enable us to create further value for our members.



Sustaining legacy projects while creating innovative solutions

The Fund continues to preserve and grow legacy projects that have been successful while concurrently initiating new endeavours to adapt to the evolving landscape. This approach aims to provide innovative solutions to our members in response to changing circumstances.

Investment in human talent for future growth

I strongly believe that the Fund has the highest concentration of human capital, and we are committed to nurturing this talent as we strive to empower each individual to realise their "1+2" potential.

Let me illustrate the point above, consider an instance where an individual enters the Fund in the capacity of an accountant (representing their "1"). Over time, they should expect to undergo supplementary training, transitioning into roles such as a digital analyst or a sustainability specialist (shaping their "2"). This approach will foster the cultivation of well-rounded employees, aligned with the future demands of the Fund.

Strategy 2035

Looking ahead to Strategy 2035, we envision extending coverage to 5 million savers, leading to a 50 trillion Fund, fostering satisfaction among both members and the nation.

Conclusion and appreciation

Amidst the uncertainties that clouded the past financial year, I take immense pride in our staff's unwavering unity, focus, and adaptability. Our collective strength was rooted in the understanding that truth faces no fear when challenged.

Allow me to conclude with a passage from Sun Tzu's "The Art of War": "If you know the enemy and you know yourself, your victory will not stand in doubt; if you know Heaven and you know Earth, you may make your victory complete." This counsel underscores the importance of comprehending both internal and external factors. Recognising our strengths, weaknesses, resources, and limits is crucial for sound decision-making. Equally vital is understanding the broader context, encompassing political, social, and cultural dynamics, the physical environment, and the influence of time and space.

Our success within the Fund is notable, and I extend my congratulations to all. However, it is time to extend our gaze beyond and collaborate with external stakeholders to fulfil our purpose of improving lives for shared and inclusive prosperity.

Gratitude goes to the Fund supervisors, and my fellow Board members for their guidance and support. In addition, and on behalf of the Board of Directors, I express deep appreciation to the Fund's employees and the Executive Team for their combined efforts that contributed to the Fund's achievements.

To our valued members, you remain at the heart of our endeavours and we are committed to being your social security provider of choice.



Dr. Peter Kimbowa
Chairman, Board of Directors

1. OUR REPORT OVERVIEW

NSSF Board Committee





1. OUR REPORT OVERVIEW

Board of Directors Profiles



Dr. Peter Kimbowa
Chairman Board of Directors
Private Sector Representative

Appointed: 1 September 2021
Tenure: 1 year 10 months

Qualifications

PhD – Commonwealth University
MBA (Strategy) – Maastricht/ESAMI
Internationally Certified Coach – Cert. No. 12322 by the International Coach Federation (ICF)
Internationally Accredited Clarity 4D Trainer
Member – American Management Association
Member – Harvard Business Review

Expertise

Governance Advisor
Advisory Services to Financial Institutions and public and private sector Boards
Global leadership catalyst
Coach
Author and speaker
Organisational and transformational work
Futurist
Strategy Advisor
Sustainability expert
Financial Institutions

Board Memberships

Chairman of the Board, National Social Security Fund
Chairman and Trustee, CEO Summit Uganda
ESKOM
Jubilee Allianz
League of East African Directors
Goodwill Ambassador (Investment) – Uganda Red Cross Society
Founder and Chairman of the Sustainability Center at the CEO Summit
Founding Vice President, International Coaching Federation (Uganda Chapter)
Private Sector Foundation

Other Memberships and Positions

Member of the American Management Association and Harvard Review
Member of McKinsey
Member of the African Association of Business Schools
Former Associate at Strathmore Business School (SBS)
Founding Team Leader at IFE Consultants Limited
Member of the African Shared Value Network



Mr. Patrick M Ayota
Managing Director

Appointed: 1 December 2022
Tenure: 7 months

Qualifications

CPA(U) – Certified Public Accountant of Uganda
MBA – University of South Carolina, USA
Bachelor of Science Degree in Finance – Liberty University, Virginia, USA
CPA – Georgia USA

Expertise

Strategy formulation and execution
Innovation
Financial reporting and accounting
Taxation
Leadership
Project management
Financial analytics

Board Memberships

Chairman of the Board of New Vision Group
Non-Executive Director of Housing Finance Bank
Board member, ICPAU, (Quality Assurance)

Other Memberships

League of East African Directors (LEAD)
President ISSA focal liaison office East and Central Africa



Mr. Patrick Ocailap
Non-Executive Director
Government Representative from
Ministry of Finance Planning and
Economic Development (MOFPED)

Appointed: 11 December 2013
Tenure: 9 years 7 months

Qualifications

Master's Degree in Development Economics – Williams College Massachusetts, USA
Bachelor of Commerce Degree in Finance – Makerere University, Uganda
Certified Public-Private Partnerships (PPP) Member from the Institute of Public Private Partnerships – IP3, USA
Certificates in Public Finance, Taxation and Fiscal Policy Management

Other Training

Master Trustee Certification from Johannesburg School of Finance, South Africa

Expertise

Development economics
Public policy and financial management
Strategy formation and execution
Financial reporting, accounting, and taxation
Risk management
Project management
Governance and compliance

Board Memberships

National Social Security Fund
Uganda National Airlines Company Ltd
National Housing and Construction Company Ltd

Other Memberships

League of East African Directors (LEAD)



Dr. Eng. Silver Mugisha
Non-executive Director
Representative Federation of
Uganda Employers

Appointment: 1 September 2021
Tenure: 1 year 10 months

Qualifications

Ph.D. in Engineering and Economics and Management, Makerere University, Uganda in collaboration with PURC–University of Florida, USA
MSc. Sanitary Engineering (Sector Utility Management) – IHE Delft–Netherlands
BSc. Civil Engineering – Makerere University, Uganda

Other qualifications

Fellow of the International Water Association and Sense Research School of the Netherlands
Certificate in Public – Private Partnerships – Contractualisation in WSS – World Bank Institute, USA/AfWA
Certificate in Corporate Governance: Enhancing Board Effectiveness – Institute of Corporate Governance of Uganda
Certificate in Private Sector Participation – Catalyst2 – UK
Certificate in Private Sector Participation – Stone & Webster Consultants, UK
Certificate in Result Oriented Change Management – African Management Development Centre
Certificate in Private Sector Participation and Financing – Technical University of Berlin, Germany
Certificate in Utility Regulation and Strategy – PURC–University of Florida, USA

Expertise

Organisational development
Business process re-engineering
Capacity development, networking and partnerships development
Performance development planning and implementation
Project management, negotiations and financing
Strategic management and enterprise reforms
Performance monitoring and regulation
Human resources development and productivity analysis
Performance incentives design and benchmarking
Cost–benefit analysis
Hydraulic structures and design
Management of water supply and sanitation systems
Public–Private Partnerships
Operations research and industrial organisation
Stakeholder mapping and buy–in

Board Memberships

National Social Security Fund
President, African Water and Sanitation Association
Chairman, Federation of Uganda Employers
Chairman, Uganda Business and Technical Examinations Board
Chairman, Governing Council of Uganda Technical College, Bushenyi
Member, Board of National Water and Sewerage Corporation
Vice Head of Laity, Mbarara Archdiocese

Other Memberships

League of East African Directors (LEAD)



Ms. Annet Nakawunde Mulindwa
Non-Executive Director
Representative Federation of
Uganda Employers

Appointed: 28 February 2022
Tenure: 1 year 4 months

Qualifications

Masters in Business Administration majoring in Finance – Makerere University, Kampala
Postgraduate Diploma in Financial Management – Uganda Management Institute
Bachelor’s Degree in Arts – Makerere University, Kampala
Strategic Leadership in Inclusive Finance – Harvard Business School (USA)
Business Continuity Management – Certificate in ISO 22301 Foundation
Balanced Scorecard Professional (BSP) – George Washington College of Professional Studies, USA
Advanced Leadership Training – Wharton Business School, University of Pennsylvania, USA

Other qualifications

Strategic Leadership in Inclusive Finance – Harvard Business School (USA)
Business Continuity Management – Certificate in ISO 22301 Foundation
Balanced Scorecard Professional (BSP) – George Washington College of Professional Studies, USA
Advanced Leadership Training – Wharton Business School, University of Pennsylvania, USA
Financial Risk Management – London School of Economics
Advanced Management Programme – Strathmore University Business School
Coaching Programme for Mission, Leadership and Performance – Creative Metier, Oxford, England
Strategic Management Course for Microfinance Practitioners by the Microfinance Association UK – Washington DC (24 – 28 September 2018)
Africa Board Fellowship by ACCION/ Centre for Financial Inclusion – Cape Town, South Africa (9 – 11 April 2018)
Micro, SME and Housing Finance Summer Academy by the Frankfurt School of Finance and Management, Germany (July 2017)
Strategic Response to Risk in Microfinance Markets by Boulder Institute of Microfinance and International Finance Corporation (IFC) (December 2016)
Board and Audit Committee Workshop – Corporate Governance by The Institute of Internal Auditors Uganda (2014)
Corporate Governance Training by Institute of Corporate Governance in Uganda (2013)
Coaching Programme for Mission, Leadership and Performance by Creative Metier, Oxford, England (June – December 2009)
Training in Balanced Scorecard by Ernst and Young (April 2009)
Women in Leadership – Women’s World Banking and Center for Microfinance Leadership (July 2008)
Basic banking by Institute of Bankers, Uganda

Expertise

Banking
Leadership
Women development
Coaching
Asset and liability management
Audit and risk management
Corporate governance

Board Memberships

Member of the Board National Social Security Fund (NSSF)
Member of the Board Finance Trust Bank (FTB)
Member of the Board Agent Banking Company Limited (ABC)
Member of the Uganda Revenue Authority Tax Agents’ Registration Committee (TARC)
Deputy Chairperson – Federation of Uganda Employers (FUE) Member of the Board – Private Sector Foundation Uganda (PSFU)
Member of the Board – Buganda Heritage/Culture and Tourism
EXCO Member of the Uganda Banker’s Association

Other Memberships

League of East African Directors (LEAD)

Awards and Achievements

“Financial Women of the Year 2008” by Women’s World Banking, New York, USA

“Appreciation Award” by The Lions Club of Entebbe, Uganda (2015)

“Honorary Fellow Award” by Uganda Institute of Banking and Financial Services (2015)

1. OUR REPORT OVERVIEW



Dr. Sam Lyomoki
Non-Executive Director Workers
Representative Central
Organisation of Free Trade
Unions

Appointed: 1 September 2021
Tenure: 1 year 10 months

Qualifications

Bachelor of Medicine and Bachelor of Surgery – Makerere University, Uganda
Master of Business Administration
Master of Science in Community Health
Master of Public Administration and Management
OakSeed Executive Leadership Course of the Institute of National Transformation (INT), USA.
Leadership Training Programme on Servant Leadership of the Sundoulos African Leaders' Training (SALT) Programme in Partnership with Development Associates International, USA
Course in Key Labour Market Issues in Africa of the World Bank Institute, Global Development Learning Network Centre, Uganda
Management Institute

Other training

Executive Training from various institutions like ESAMI in:
Leadership
Corporate governance
Accounting
Project management
Social security
Financial analysis
Labour and human resource management
and workers education
Advanced auditing
Proactive management
Investments
Accredited Master Trustee training by
Johannesburg School of Finance, South Africa

Expertise

Medicine and public health
Occupational health and safety
Human resource management and public administration
Leadership
Legislation and representation
Social security and health insurance
Business administration
Human rights, labour rights and labour markets
Stakeholder and people management
Strategic and proactive management
Lobbying and critical thinking

Board Memberships

National Social Security Fund
Secretary General of the Central Organisation of Free Trade Unions (COFTU)
Social Security Sector Coordination Committee
Labour Advisory Board
Hosanna Uganda
Lodoi Development Fund
Uganda Medical Association
Workers Ministries
Various ILO and international labour movement Tripartite Technical Panels and committees
General Secretary of the National Union of Lawyers, Judicial Officers and Allied Workers Union (NULJAW)
Deputy Secretary General Central Organization of Free Trade Unions (COFTU)

Other Memberships

League of East African Directors (LEAD)



Ms. Peninnah Tukamwesiga
Non-executive Director Workers
Representative COFTU (Central
Organisation of Free Trade
Unions)

Appointed: 1 September 2015
Tenure: 7 years 10 months

Qualifications

Master of Laws – Makerere University, Uganda
Post Graduate Diploma in Legal Practice – Law Development Centre
Bachelor of Laws – Uganda Christian University

Other Training

Post-graduate training on National Governance of Occupational Safety and Health from International Training Centre, Geneva
Mediation Training by Justice Centers, Uganda
Corporate Governance Training by Euromoney Learning Solutions
Corporate Governance and Risk Management Training by Global Focus Training Group
World Bank Pension Core Course, 28 April 2018 intake by World Bank, Washington, DC, USA
Accredited Master Trustee training by Johannesburg School of Finance, South Africa
Strategic approach to investment by Public Administration International, London, United Kingdom
Trustee trainings by Uganda Retirement Benefits Regulatory Authority
The effective director training by Strathmore Business School, Nairobi
Corporate Governance and Human Resource by Public Administration International (PAI) London, United Kingdom
Master Trustee Certification from Johannesburg School of Finance, South Africa
Certification on Pension Funds by World Bank, Washington DC
Investments Training, Public Administration International (PAI)
Advanced Audit Training by ESAMI

Expertise

Legal expertise
Labour law and arbitration
Human resource management and development
Corporate governance
Employment advisory
Commercial law
Dispute resolution
Taxation

Current Positions Held

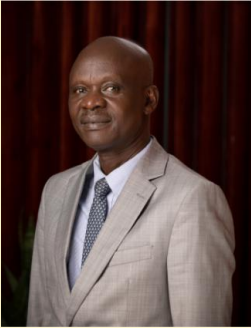
General Secretary of National Union of Lawyers,
Judicial Officers, and Allied Workers Union (NULJAW)
Deputy Secretary General of Central Organisation of Free Trade Unions
Consultant Partner Jojoma Advocates

Board Memberships

Executive Board member of the Central Organisation of
Free Trade Unions (COFTU)
Board Member of the National Social Security Fund
(NSSF)
Board member of Uganda Clays Limited (UCL)
Board member of TPS Serena Hotel Uganda

Other Memberships

Member of the East African Law Society
Member of Uganda Law Society
League of East African Directors



Mr. Hassan Mudiba Lwabayi
Non-Executive Director,
Representing Workers' (National
Organisation for Trade Unions)

Appointed: 1 September 2021
Tenure: 1 year 10 months

Qualifications

Bachelor of Laws Degree from Cavendish University Uganda (CUU)
National Diploma in purchasing and supplies management from Nakawa Institute of Business Studies (NIBS)

Other Training

International Training Centre (ILO Corso unita d-Italia, Turin, Italy), Diploma in Organisation Management within Trade Unions
Certificate in Business Studies I and II at Kampala Business Institute
Certificate of attendance in Personal Management at MTAC, Nakawa
Proactive Management Programme by ESAMI, Arusha Tanzania
Advanced Audit Programme ESAMI

Expertise

Law
Procurement
Labour rights
Organisational management
Negotiation skills and alternative dispute settlement skills (ADR).

Board Memberships

Member of the Board of Trustees National Social Security Fund

Other Memberships

League of East African Directors (LEAD)



Mr. Aggrey David Kibenge
Non-Executive Director
MOGLSD (Ministry of Gender
Labour and Social Development)

Appointed: 10 November 2020
Tenure: 2 years 8 months

Qualifications

PhD (Honorary) – British American University
Master of Public Administration and Management – Makerere University
Bachelor of Education – Makerere University
Diploma in Education– National Teachers' College, Kakoba

Other Qualifications

Certificate in Administrative Law from the Law Development Centre

Expertise

Education
Leadership
Strategy formation and execution
Risk management
Project management
Public policy
Business development
Governance and compliance
Project management

Board Memberships

National Social Security Fund
Member of the Global Partnership to End Violence Against Children, Executive Committee

Other Memberships

League of East African Directors (LEAD)



Ms. Annet Birungi
Non-Executive Director, Workers
Representative (National
Organisation for Trade Unions –
NOTU)

Appointed: 28 February 2022
Tenure: 1 year 4 months

Qualifications

Masters in Management Science
Post Graduate Diploma in Hospital and Health Care Management from Uganda Management Institute
Bachelor of Science Degree in Nursing Science from International Health Science University
Certificate in Registered Nursing from Mulago School of Nursing and Midwifery
Certificate in Enrolled Nursing from Kabale School of Nursing and Midwifery

Other Training

Proactive Management Programme by ESAMI, Arusha Tanzania

Expertise

Professional nurse
Lobbying skills
Advocacy
Worker's rights

Board Memberships

National Social Security Fund
Member of National Organisation of Trade Unions
Uganda Trade Unionists Multipurpose Co-operative Society Limited
Uganda Nile Discourse Forum

Other Memberships

League of East African Directors (LEAD)

1. OUR REPORT OVERVIEW

Managing Director's Statement

“In the face of challenges, FY 2022/23 showcased our resilience and commitment to excellence. Our robust processes stood strong, and our funds' performance remained resilient. Transparency, accountability, and ethical leadership remain at our core, and we will continue to embrace innovation with clear, transparent communication, forging a transformative journey towards inclusive prosperity and a more sustainable future for generations to come.”



Mr. Patrick M Ayota
Managing Director

[PLAY VIDEO](#)



Reflections on the past year

In the face of challenges, FY 2022/23 showcased our unwavering resilience and commitment to excellence. Despite a parliamentary probe, our robust processes in people, procurement, and Governance stood strong. The Funds' performance also remained strong highlighting operational efficiency and dedication to achieving our strategic goals.

We have taken the time to reflect on lessons learned. One of the crucial aspects for our sustainability is to maintain clear and transparent communication with all key stakeholders. We believe in innovative decision-making and need to ensure that there is visibility of our purpose and direction with all stakeholders to be part of this transformative journey.

Vision 2025

Our 10-year strategy continues to steer our direction and growth. We are well positioned to achieve most of our targets by 2024, one year ahead of schedule.

The Fund has continued to earn the goodwill of our valued members and stakeholders. Our reputation and strength remain steadfast. We are attracting top talent and positioning ourselves as a leading organisation within the region.

During the FY 2022/23, amidst the challenging environment, the Fund registered very good performance in the following key financial areas:



Fund's Assets grew by 7.6% from UGX 17.3Tn in the previous year to UGX 18.6Tn



Total realised income grew by 15.1% from UGX 1.9Tn to UGX 2.2Tn mainly driven by interest income



Dividend income recognised in the year was UGX 145Bn, a growth of 45.5% from UGX 100Bn the previous year



Contributions collected in the year amounted to UGX 1.72Tn, 15.5% above collections for the previous year. This is a clear testament of the trust and confidence that our members continue to place in the Fund

Vision 2035: Fostering inclusive prosperity, commitment to sustainability and ESG.

Building upon our 2025 strategy, we have set ambitious targets for the next decade. Central to our strategy is an active role in the daily lives of young Ugandans, especially in the areas of agriculture and job creation. By promoting a culture of saving and enhancing the capacity to save, we aim to empower Ugandans to achieve greater financial security and prosperity.

We have seamlessly integrated ESG principles into our operations, solidifying our dedication to environmental, social, and governance responsibility. This year's inaugural NSSF ESG Report proudly showcases our progress in this regard.

Read our full ESG Report. 





Non-financial factors, encompassing ESG aspects, are now central to our decision-making process. Their significance continues to grow as we recognise their interconnectedness and impact on our operations. By incorporating these factors into our strategy, we gain deeper insights into growth opportunities.

At NSSF, we understand that embracing sustainability is not only the right thing to do for our society and the environment but also a strategic imperative for the long-term success and resilience of the Fund, building a more sustainable future for generations to come.

Our audacious goal is to grow our member base from the current 10% of the working population to 50% of Uganda's labour force by 2035. Achieving this goal necessitates our proactive intervention to enhance our members' capacity to earn and save.

Through our Hi-Innovator Programme, we extend support to promising entrepreneurs, offering seed capital to pave the way for growth and success. By nurturing young talent and stimulating economic growth, we not only empower the next generation but also contribute to the development of Uganda's economy.

Increasing earnings and economic opportunities for our members will be a catalyst for attracting more individuals to join the Fund, enabling growth of our membership and asset base.

Organisational redesign, technology, and innovation

Driven by the NSSF Amendment Act 2022, and throughout the financial year, the Fund pursued the refinement of our Organisational Redesign that is focused on enhancing our processes to better serve our members.

The amendment created opportunities for the Fund to attract voluntary savers. To cater for the diverse requirements of informal savers, we have embarked on creating a comprehensive suite of products to meet their needs. This approach entails adopting a different relationship model, and one that aligns more closely with the specific preferences and circumstances of these savers.

For example, in our quest to meet the demands of our would-be members, we are exploring and negotiating with insurance providers to provide affordable health coverage products that can help such a member mitigate the risk and cost of a serious health problem. The package will include preferential rates for essential services like hospitalisation, accident, and funeral coverage. By doing so, we aspire to provide our savers with enhanced benefits and a more encompassing and holistic financial solution.

Looking ahead: Projections for FY 2023/24

In the upcoming financial year, are focussing on establishing strategic partnerships and collaborations that will capitalise on new opportunities and drive sustainable growth.

We are pursuing Private Public Partnerships (PPP) opportunities to amplify our investments and boost the future cash flows of the Fund.

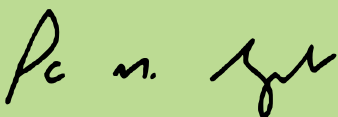
We are taking proactive steps to further our involvement in the agricultural sector which employs 60% of Ugandans. We are collaborating with the Government to organise the market side of agriculture. We do know that when farmers earn more money, they will be empowered to save for retirement with NSSF.

We believe that by tackling the most pressing challenges faced by our citizens, these initiatives reflect our shared values for sustainable growth.

In conclusion

I would like to thank the Chairman and the Board for their support in developing and delivering on the Fund's strategic objectives. I also extend my appreciation to the Supervising Ministries for their unwavering support provided throughout the financial year. To all our other stakeholders, thank you for your continued support and mutually rewarding engagements.

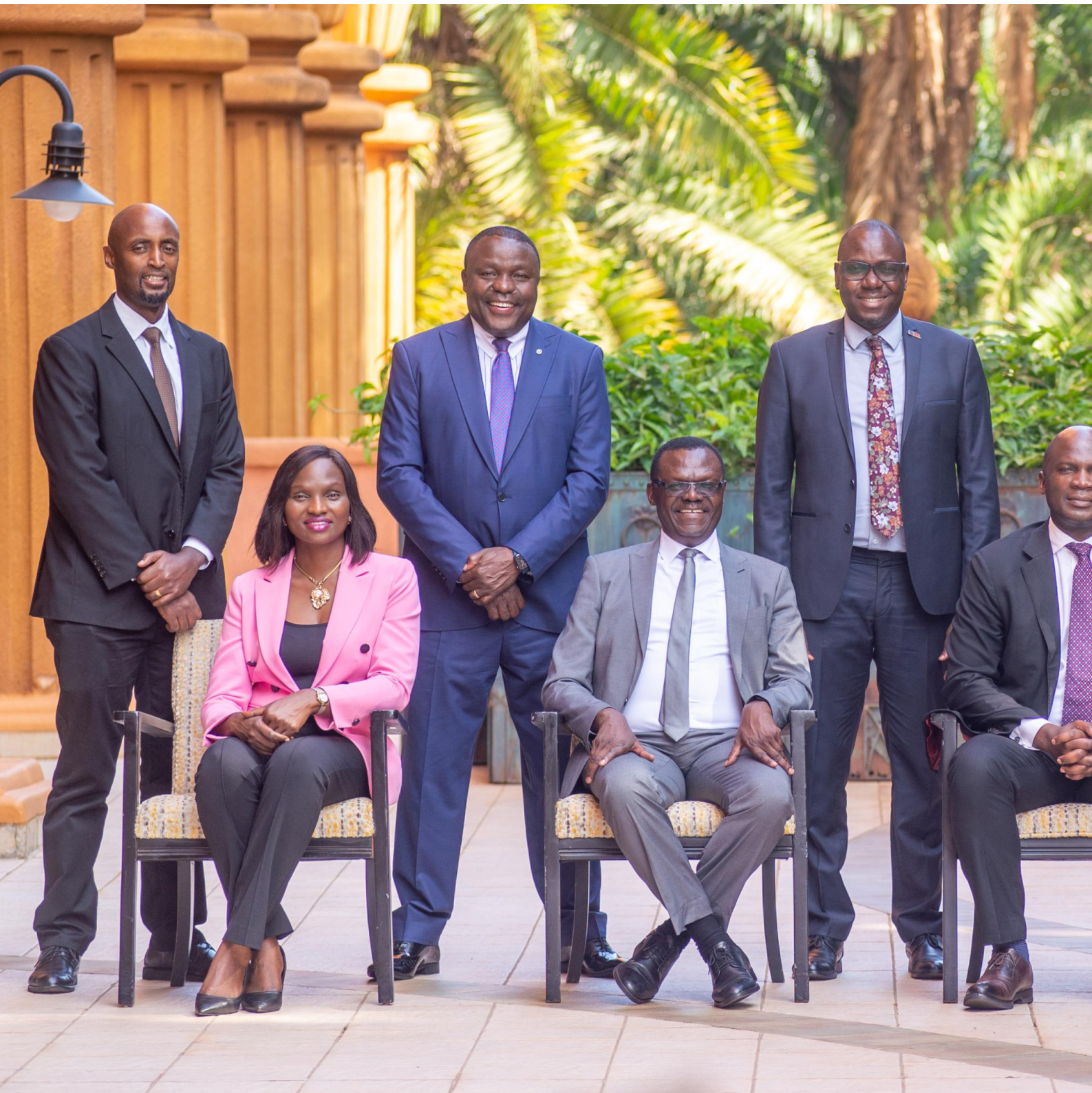
My thanks are also extended to the Executive Team, and the entire NSSF staff for their commitment, passion, and dedication to making the Fund a success. Our determined effort shows that we are committed to making NSSF the Social Security Provider of Choice.



Mr. Patrick M Ayota
Managing Director

1. OUR REPORT OVERVIEW

NSSF Executive Committee





1. OUR REPORT OVERVIEW

Executive Committee Profiles



Mr. Patrick M Ayota
AG Managing Director and
Deputy Managing Director

Appointed July 2011

Tenure 12 years

Qualifications CPA(U) – Certified Public Accountant of Uganda
MBA – University of South Carolina, USA
Bachelor of Science Degree in Finance – Liberty University, Virginia, USA
CPA – Georgia USA

Expertise Strategy formulation and execution
Innovation
Financial reporting and accounting
Taxation
Leadership
Project management
Financial analytics

Board Memberships Chairman of the Board of New Vision Group
Non-Executive Director of Housing Finance Bank
Board member, ICPAU, (Quality Assurance)

Other Memberships League of East African Directors (LEAD)
President ISSA focal liaison office East and Central Africa



Mr. Stevens Mwanje
Chief Financial Officer

Appointed November 2017

Tenure 6 years

Qualifications CPA – Institute of Certified Public Accountants of Uganda (ICPAU)
Fellow of the Association of Chartered Certified Accountants (ACCA), UK
MBA in Business Management – Heriot-Watt University (Edinburgh Business School)
Post Graduate Diploma in Business Management – University of Leicester
Bachelor of Arts Degree – Makerere University

Other Training – Alumni of the Executive Programmes of:
The Wharton School (University of Pennsylvania)
The Gordon Institute of Business Science (University of Pretoria)
Strathmore Business School (Strathmore University)
Balanced Score Card Professional – George Washington University College of Professional Studies

Expertise Strategy formulation and execution
Financial reporting and accounting
Taxation
Leadership
Project management
Coaching and mentoring
Sales and marketing
Operations management
Change management

Board Memberships Cipla QCI (Listed on the Uganda Securities Exchange)
Deputy Chairperson and Chair Audit Committee: Entrepreneurs Financial Centre – EFC (a Microfinance Deposit – Taking Institution)



Mr. Benoni Katende
Chief Technology and
Enterprise Solutions Officer

Appointed September 2021

Tenure 2 years

Qualifications Masters in data science – Eastern University, United States
BSc Mech Eng. – Makerere University
MBA – Makerere University
Six Sigma Black Belt–American Society of Quality
Certificate in digital financial services – Tuft University
Certificate in data science – Analytics Vidya
Project management by numbers – Shell Academy
Emergent change leadership – Shell Academy
ACCA (Partial)

Expertise Strategy
Cyber security
Digital financial services
Business process re-engineering
Six Sigma methodology
Machine learning
Artificial intelligence
Mechanical engineering process design
Leadership
Account management
Financial product and channel design
Business intelligence
Coaching
Failure mode and effect criticality assessment
Project management



Mr. Edward Senyonjo
Head of Enterprise Risk Management

Appointed September 2010

Tenure 12 years

Qualifications Fellow of the ACCA, United Kingdom
CPA, Institute of Certified Public Accountants of Uganda
Certified Risk Manager (CERM)
MBA – University of Nicosia, Cyprus
BCOM – Makerere University, Uganda
GMP – Gordon Institute of Business Science, South Africa

Expertise Enterprise Risk Management (ERM) strategy
ERM implementation
Corporate governance
Business continuity management
Crisis management and disaster recovery
Risk modelling, scenario, and stress testing



Mr. Gerald Mugabi
Head of Procurement and Disposal Function

Appointed July 2013

Tenure 10 years

Qualifications MBA – Uganda Management Institute
Graduate Diploma Procurement and Logistics, Chartered Institute of Purchasing and Supply, UK
Bachelor of Commerce (Transport Economics) – University of South Africa (UNISA)
Diploma Stores and Stock Control – The College of Professional Mgt, UK

Other Training Certificate in Senior Leadership – Strathmore University
Certificate in General Management – University of Pretoria
Mini MBA in Procurement and Supply Chain Management – Purchasing and Procurement Center Malaysia
Performance Management certification – Institute of Balanced Scorecard Nairobi

Expertise Procurement and supply chain management
Transport and logistics management
Leadership



Ms. Agnes Tibayeita Isharaza
Chief Legal Officer
Corporation Secretary

Appointed April 2019

Tenure 4 years

Qualifications Executive MBA – Eastern and Southern African Management Institute (ESAMI)
Post Graduate Diploma in Legal Practice – Law Development Centre (Awarded the Attorney General's Prize)
Bachelor of Law Degree (Hons) – Makerere University
Chartered Governance Graduate (GradCG)

Other training Master Trustee Certification – Johannesburg School of Finance/Jomo Investment Graduate – Female Future Programme – FUE/ Arbeidsforikinings Fond (AFF) Scandinavia, Retorisk Institut in Norway, and Confederation of Norwegian Enterprises (NHO) Business School
Board Masterclass – Financial Times Non-Executive Directors Club, UK
Being a Director – Institute of Directors, South Africa
Several corporate governance, banking, and other technical trainings

Expertise Legal and compliance
Governance
Corporate and Board Affairs
Banking, finance, pension, and capital markets

1. OUR REPORT OVERVIEW



Mr. Geoffrey Waiswa Sajjabi
Chief Commercial Officer

Appointed November 2017

Tenure 6 years

- Qualifications** MBA – Heriot Watt University UK
General Management Programme – Gordon Institute of Business Science, University of Pretoria Administrative Officers Law Certificate – Law Development Centre Kampala
Bachelor of Arts – Makerere University Kampala
- Other Training** Executive Leadership Programme – Strathmore Business School Nairobi
CEO Apprenticeship Executive Programme – Strathmore Business School Nairobi
Balanced Scorecard Professional – George Washington University College of Professional Studies and Balanced Scorecard Institute
- Expertise** Leadership
Strategy formulation and execution
Project management
Customer service
Operations management
Procurement, disposal, and contract management
Process re-engineering
Job evaluation
Business development
Sales
Compliance



Mr. Geoffrey Barigye
Head of Internal Audit

Appointed January 2010

Tenure 13 years

- Qualifications** FCCA – Fellow of the Chartered Association of Certified Accountants (ACCA), UK Certified Public Accountant (CPA), Uganda
MBA – Makerere University, Kampala
Bachelor of Commerce Degree in Accounting – Makerere University Kampala Diploma in Business Studies – Makerere University Business School, Kampala
- Other Training** Alumnus of the Strathmore Business School – Executive Leadership Programme, Nairobi Kenya
Corporate Governance
- Expertise** Auditing
Accounting
Finance
Leadership and management
Governance
Risk management
Coaching and mentoring



Ms. Arimi Barbra Teddy
Head of Marketing and Corporate Affairs

Appointed December 2014

Tenure 8 years

- Qualifications** Executive MBA – East and Southern Africa Management Institute
Member of the Chartered Institute of Marketing (CIM)
Member of the Chartered Institute of Public Relations (CIPR)
Bachelor of Commerce – Makerere University
- Other Training** Global Executive Development Programme – Gordon Institute of Business Studies
CEO Apprenticeship Programme – Strathmore Business School and CEO Summit Uganda
International Module for the CEO apprenticeship programme – Gordon Institute of Business Studies
Executive Leadership Programme – Strathmore Business School
Leadership Development Future Female Programme – Federation of Uganda Employers
Balanced Score Card professional Certification – Balanced Scorecard Institute
Reputation and Crisis Management
Strategic Brand Marketing – University of Cape Town
Training of Trainers UMI
Entrepreneurial Branch Operations World Savings Bank Foundation for International Co-operation
Corporate Governance – ICGU
Branch managers training – World Savings Bank Institute and Belgium Technical Cooperation
- Expertise** Marketing management
Public relations
Corporate social responsibility
Product development
Research
Sales force management
Crisis management
Events management
- Board Memberships** DFCU Group
CEO Apprenticeship



Mr. Gerald Paul Kasaato
Chief Investment Officer

Appointed January 2015

Tenure 8 years

Qualifications LLB (Hons) Nottingham Trent University, UK –(Third Year Student, Distance Learning).
CFA, USA – Charter Holder
Chartered Accountant of the UK – a Fellow
FCMI – Chartered Management Institute of the UK – a Fellow
CPA(U) – Certified Public Accountant of Uganda
Alumnus of the Harvard Business School (USA)
Aresty scholar of Wharton Executive Programme – University of Pennsylvania, USA
MBA in Finance – University of Exeter, UK
Master of Science (MSC) in International Finance and Investments – London Southbank University, UK
Bachelor of Science (Hons) Degree in Accounting – Oxford Brookes University, UK

Expertise

Investment and portfolio management	Leadership
Corporate and international finance	Operations management
Risk management	Financial economics
Financial reporting and accounting	Project management
Taxation and audit	Compliance and governance
Strategy formation and execution	Research



Mr. Alex Rumanyika Kalimugogo
Head of Strategy and Performance

Appointed August 2022

Tenure 1 year

Qualifications Masters – Business Administration, USIU–Africa
Bachelor of Commerce Degree, Makerere University
Balanced Scorecard Certified Specialist
Public Private Partnership Certified Specialist
Strategic Management and Performance Management Systems Certified Practitioner
Performance Measurement Process Certified Practitioner
Venture Development and Digital Transformation Certificate, University of Virginia
Leading Transformations – Managing Change, Macquarie University

Expertise

- Strategy development and performance management
- Innovation management
- Programme management Intrapreneurship
- Venture building
- Corporate finance Microfinance
- Strategic leadership and change
- Public sector reform



Mr. Milton Steven Owor
Chief People and Culture Officer

Appointed February 2017

Tenure 6 years

Qualifications Professional Executive Coach – Coach Masters Academy, Singapore
MBA – University of Leicester, UK
Bachelor of Social Sciences degree (Hons), Makerere University

Other Training Global Business Leadership Certification – INSEAD, France

Expertise

- People leadership
- Strategic talent management
- Change management
- Executive leadership development
- Reward and compensation
- Executive coaching

INTEGRATED REPORT

2. OUR BUSINESS





OUR BUSINESS

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2. OUR BUSINESS

Organisational Overview, Products and Services

About NSSF





The National Social Security Fund (NSSF) is a provident fund mandated by the Government of Uganda through the National Social Security Fund Act, Cap 222 (Laws of Uganda) as amended. The Fund covers all workers in the private sector regardless of the size of the enterprise or the number of employees.

The Ministry of Gender, Labour and Social Development and the Ministry of Finance, Planning and Economic Development are jointly charged with the oversight of the Fund. The Fund is also regulated by the Uganda Retirement Benefits Regulatory Authority (URBRA), as applicable, following the enactment of the URBRA Act in 2011.



NSSF Headquarter offices at Workers House

NSSF @ a glance

 17 Branches	 4 Sub – Branches	 27 Outreach Centres
 576 Dedicated Staff	 2.4M Registered Members	 32.3K Registered Employers
 1.72Tn Total Contributions UGX	 2.2Tn Total Realised Income UGX	 1.03% Cost of Administration
 18.56Tn Total Asset Value UGX	 1.19Tn Benefits Paid Out UGX	 11.9 Days Benefits Turn Around Time



Our Commitment to Customer Centric Excellence

We are the biggest institution in the region with centres in all regions of Uganda manned by competent and energetic teams, availing our members with the very best in social security.

We maintain our commitment to innovation in both products and services, adapting to evolving customer saving requirements and consistently seeking avenues to elevate our customer service.

Our locations

Northern Region

Lira Plot No.43 Bazar Road P. O. Box 406, Lira	Gulu Plot No. 23 Andrea Olal Road (Opposite Total) P.O. Box 730, Gulu	Arua Plot No. 49 ML Plaza, Adumi Road P.O. Box 418, Arua	Masindi Plot No. 17/19 Port Road (Opposite Masindi Court) P.O. Box 199, Masindi	Hoima Plot No. 33 Lusaka, Hoima–Kampala Road (Next to Messiah Clinic)
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Western Uganda

Fort Portal Plot No. 1 Maliba Road	Mbarara 1st Floor Mbarara City House	Ishaka Plot No. 112 Block 14 Bushenyi–Ishaka Municipality	Kabale Plot No. 91–95 Mbarara Road P. O. Box 203, Kabale	Masaka Plot No.21 Edward Avenue P. O. Box 1290, Masaka
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Eastern Region

Mbale Plot No.1, Oval Plaza Court Road (Near Housing Finance Bank) P. O. Box 1574, Mbale	Soroti Cell A Central Ward Eastern Division Soroti City	Moroto Plot 24 Lia Road	Jinja Ground Floor Jinja City House Lubas Road	Tororo Plot No. 8A Uhuru Drive P. O. Box 1574, Mbale	Mukono Plot No 3A Bishop Tucker Road Central Business Area Mukono
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Central Region

Kampala City Branch Ground floor Workers House Plot No.1 Pilkington Road P.O. Box 7140 Kampala	Bugolobi 1st Floor Village Mall Bugolobi Plot 7–9 Luthuli Avenue	Acacia Ground Floor Acacia Mall John Babiha Avenue Kisementi	Bakuli Plot No. 719 Sir Apollo Kagwa Road K Hotel Building	Entebbe Entebbe Imperial Mall Plot M79 Lugard Avenue Kampala–Entebbe Road
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2. OUR BUSINESS

Products and services

The Fund is a contributory scheme and is funded by contributions from employees and employers. Employees contribute 5% and employers add 10% of the employee's gross monthly cash emoluments. The Fund also receives voluntary contributions from

self-employed persons and top-ups on mandatory contributions. The Fund invests these funds and provides annual returns in the form of interest to its members but also processes prescribed benefits for qualifying members.

Products and services include:

Conventional Benefits Products

[Web...](#)



Age Benefit:	Paid to all contributing members who have reached the retirement age of 55 whether they are still in active employment or not.
Withdrawal Benefits:	Paid to members on attaining the age of 50 years if they have been out of employment for a year.
Survivors Benefit:	Paid to the relatives (spouse, children, or dependent parents) of the deceased member who had been contributing to the Fund.
Invalidity Benefit:	Paid to a member who has lost his/her earning capacity and has physical or mental incapacity, as verified by the NSSF Doctor.
Exempted Employment Benefits:	Paid to members who join employment categories that are exempted, that is, have their social protection schemes that are recognised under the existing law and are exempted from contributing to NSSF; like the Police, Army, Prisons, Civil Service and Government Teaching Service, and employees or members of any scheme which has received an exemption from the Minister in charge of Social Security.
Emigration Benefit:	Paid to members who have been working within the country and are leaving Uganda permanently. It covers both Ugandans and non-Ugandans who have been contributing to the Fund.

Midterm Access Benefits

[Web...](#)



A member who has made contributions to the Fund is allowed midterm access to his or her benefits accrued from the contributions under the guidelines below:

- I. A member who is forty–five years of age and above and who has made contributions to the Fund for at least 10 years, is eligible for midterm access to his or her benefits, of a sum not exceeding 20% of his or her accrued benefits.
- II. A member who:
 - I. Is a person with a disability
 - ii. Is forty years of age and above; and
 - iii. Has made contributions to the Fund for at least ten years, is eligible for midterm access, of a sum of 50% of his or her accrued benefits.

NSSF Voluntary Membership Plan

[Web...](#)



The NSSF Voluntary Membership Plan as per the NSSF Act cap 222 as amended, allows all categories of workers to save voluntarily in addition to their mandatory savings made through their eligible employers. This plan targets both existing and new savers working for contributing employers as well as those working in the informal sector.

NSSF Diaspora Connect

[Web...](#)



This is a safe and convenient collections channel through which NSSF Voluntary Members living abroad can seamlessly remit their social security contributions directly to their NSSF accounts from anywhere in the world at any time to save for their retirement.

New Developments

Individual contributions can now be made over the counter at all the 56 dfcu bank branches at no fee. This service helps members in proximity of the dfcu branches to remit their NSSF contributions at no charge unlike the other channels that attract a convenience fee.

NSSF is also working on making available its collection and registration services at all Agent Banking Company and Interswitch powered agents countrywide. This will increase the number of agent service points from 1,439 to over 17,000 locations. This is in preparation for the roll out of our flagship voluntary offering aimed at growing membership and mobilising more voluntary social security savings.

Purpose, Vision, Mission, and Core Values



Our Purpose

Our purpose is to make lives better. We passionately dedicate ourselves to making saving a way of life, to enable more and more people to improve their well-being.



Our Vision

To be the social security provider of choice.



Our Mission

To be a relevant partner to our members through continuous innovation in provision of social security.



Core Values

Innovation

We are a robust organisation that is always looking for new ways of delivering value to our members.

Customer centric

We are committed to achieving higher levels of customer satisfaction through continuous improvement in our services.

Efficiency

We promise to continuously collaborate with stakeholders to discover and apply safer, better, faster, and more cost-efficient ways to provide services that our customers value.

Integrity

We commit to be ethical and honest to inspire trust by matching our words to our actions.

Teamwork

We are committed to developing and maintaining healthy internal relations that harnesses respect, positive attitude, and open mindedness in order to meet the demands of our customers.

2. OUR BUSINESS

Operating Context

Building resilience for inclusive prosperity

“The year ended June 2023 was one of mixed fortunes. We witnessed significant recovery of many companies from the effects of Covid-19 while others completely shut down after failing to rebound to the pre-covid-19 era. It was a year in which business resilience was tested and those that had built well tested survival mechanisms soared to greater heights.”



Mr. Geoffrey W. Sajjabi
Chief Commercial Officer



Achievements in the financial year

The Fund achieved 15% growth in contributions from UGX 1.49Tn to UGX 1.72Tn compared to the previous year. This was the highest collections growth rate in over 10 years and was more than double the 7.8% growth registered the previous financial year. Active membership increased to 733,558 members from the 651,788 members at the beginning of the year.

This also marked the year in which provisions of the newly amended Act were being implemented.

HIGHLIGHTS



Since the amendment of the NSSF Act 2022,

612
members were fully paid
their benefits, totalling
UGX 5.89Bn

10,483
members made
voluntary contributions
worth **UGX 28.70Bn**

7,812
members contributed
UGX 18.05Bn

2,059 members

exclusively contributed voluntarily totalling **UGX 4.71Bn**

6,820
new employers were
registered (FY22: 4,000)

46%
of registered employers employed
less than 5 employees

180,802
new members were registered

110,000
making contributions within the year

IMPACT/OUTCOME



60%
conversion rate

50% growth
in value
from new members

UGX 75Bn
contributed to the Fund's growth

Since the amendment of the NSSF Act 2022, 10,483 members made voluntary contributions worth UGX 28.70Bn. Of these, 612 members were fully paid their benefits, totalling UGX 5.89Bn. A total of 7,812 members contributed both voluntarily and mandatorily, totalling UGX 18.05Bn, and 2,059 members exclusively contributed voluntarily totalling UGX 4.71Bn.

Outlook for the year ahead

The new year holds great potential. Our target is to collect approximately UGX 2Tn in contributions and to register at least 10,000 new employers.

We look to the future with optimism as we aspire to increase coverage through enabling more people to save. Specifically, we anticipate an exciting and challenging entry into the informal sector while giving formal sector employees an opportunity to save over and above the statutory 15%.

Our plan is to offer members flexibility in the voluntary contributions and benefits design without undermining the need for long-term savings. Recognising the value that partnering brings to the business, we will work to onboard several partners within the formal

and informal sectors in our effort to increase coverage and improve compliance among employers. Technology will continue playing a pivotal role in our expansion journey as we plan to improve member experience and engagement.

In addition, we will continue to explore the opportunities presented by our new business operating model premised on portfolio segmentation in our bid to 'make lives better' for our members.

Our people play a critical role in business growth, and we are committed to undertaking initiatives aimed at improving staff morale. An agile and resilient staff could be the difference between success and failure as we look to the new year with confidence.

Internal Environment

During FY 2022/23, the Fund underwent a series of activities that highlighted its resilience and dedication to its core principles of transparency and accountability. In addition, the expansion of the Funds mandate to include all private entities and the informal sector necessitated alignment of the Fund's business model, but also the development of new products to cater for the unique needs of the new membership.

Here are the key internal highlights:

Navigating challenges and embracing change

The internal operating context was characterised by unprecedented challenges and opportunities. The Fund underwent investigations by various oversight bodies. Our robust processes and people enabled seamless support during this time. The Fund is committed to ensuring that the concerns raised are addressed and is dedicated to continuous accountability and transparency to all stakeholders. The Fund has taken time to reflect on lessons learned, and a crucial aspect of our sustainability lies in clear, transparent communication with all key stakeholders. We believe in innovative decision-making, and we shall ensure visibility of our direction with all stakeholders to be part of this transformative journey.

Re-organisation: adapting to the new landscape

A pivotal achievement during the year was the successful implementation of the new organisational structure. With the introduction of the NSSF Amendment Act 2022, it became imperative to revamp our internal framework to respond to the changing demands of our stakeholders effectively.

This restructuring initiative created approximately 30 new positions, and more than 120 employees transitioned to new roles within the organisation. These changes were driven by the need to align our workforce with the evolving landscape, marking a significant milestone in enhancing our operational capabilities.



2. OUR BUSINESS



Review of the business model: forging strategic partnerships

In our pursuit of sustainability and growth, we piloted a new business model emphasising collaboration and partnerships. This model focuses on forging strategic alliances with apex bodies, including various ministries, to expand our reach and coverage.

Through these collaborative efforts, we have achieved remarkable results, with a 40% increase in the companies registered. This strategic shift underscores our commitment to adaptability and responsiveness to the changing needs of our members and stakeholders.

Reskilling for the future: empowering our workforce.

We recognised the importance of empowering our workforce with the necessary skills and knowledge to successfully execute the agile structure and implement the new business model. Thus, the Fund initiated a comprehensive reskilling programme, equipping our employees with Insurance, Customer Acquisition, and Financial Advisory certifications.

Over 150 employees participated in this programme, gaining valuable expertise that aligns with our new business model. This investment in our personnel has been instrumental in facilitating the transition and deployment of employees into the newly created positions, ensuring a seamless adaptation to the new operating environment.

New products: Smart Life

Smart Life is a life-style-oriented ecosystem of products and services targeting voluntary savings. It includes tenor-based saving and investment products, and insurance services. This product is under development, and it is specifically targeting our voluntary membership.

Change management: a continuous journey

Change is a constant in today's dynamic business environment, and our approach to managing it has been systematic and continuous. While we have implemented a change management plan, it is essential to note that this is an ongoing process, mainly as our new business model is still in the pilot stage.

Our People and Culture team has established a dedicated change section to facilitate this process. This team closely monitors the various aspects of our evolving business landscape, enabling them to develop initiatives that support a successful transition while preventing employee burnout.

In conclusion, the financial year was marked by challenges that have propelled us to innovate, adapt, and transform. Our commitment to ensuring business continuity and sustainability remains unwavering, and our strategic measures have positioned us for a future of growth and resilience.



External Environment

Russia Ukraine conflict

FY (Financial Year) 2022/23 was marked by significant instability stemming from macroeconomic and geopolitical influences, significantly reshaping the business environment. Primarily, the Russia–Ukraine conflict compounded the ongoing impacts of the Covid–19 pandemic.

This escalation created considerable disturbances in economic operations and played a role in the emergence of economic collaborations, such as the BRICS Alliance. The resulting supply chain disruptions pushed inflation to its highest levels in decades across much of the globe. To counteract this inflation surge, central banks responded by increasing policy rates, however, this action continues to exert significant pressure on the economic growth of many nations.

Impact

Rising inflation has several implications including the increased cost of doing business, high cost of living, reduction in overall consumer spending, and in extreme cases, inflation results in a recession, and civil unrest.

The Fund's Real Estate projects suffered setbacks due to escalation in prices of construction materials and rising fuel costs among other commodities. Construction works slowed down as contractors sought extensions in addition to variations in contractual prices.

Budgets for both operational and capital expenditures were formulated with careful consideration of the increasing costs of goods and services.



Our response

Operational expenditure: The impact on operational expenditure was minimal as the budgeting process considered the escalating prices of goods and services. Additionally, the Fund has budget control mechanisms in place that ensure efficient use of resources.

Capital expenditure: Justifiable adjustments to project timelines and contractual prices were granted subject to the necessary approval process.

Fixed income portfolio: Due to the long maturity profile of the Fund's liabilities, the Fund takes a long–term investment approach for most of its investments. Rising interest rates presented good investment opportunities for the Fund locally.

Appreciation of the Uganda shilling

During FY2022/23, the Ugandan Shilling appreciated against all regional currencies. The UGX appreciated against the Kenyan Shilling by 22.2%. It appreciated by 16.4% against the Rwandese Franc, 5.2% against Tanzania Shilling, and 2.6% against the USD.

Impact

The biggest impact was realised in Kenya where the Fund holds significant investments. Currency movements in this fiscal year had a dramatic impact on the Fund's return and volatility. The net impact was UGX 1.05 trillion in unrealised foreign exchange losses.

Our response

Diversification: The Fund mitigates adverse effects on its investments through setting a well–thought–out asset allocation that seeks to balance the emerging risks.

Long–term investment approach: While performance has been affected by short–term volatility resulting from various factors in this fiscal year, the Fund's long–term investment strategy and diversified portfolio position it to endure these short–term setbacks and facilitate the generation of long–term value.

2. OUR BUSINESS

Global economic outlook

The International Monetary Fund (IMF) projects a decline in global growth rates from an estimated 3.5% in 2022 to 3% in both 2023 and 2024. The rise in policy rates by central banks to mitigate inflation continues to weigh heavily on economic activity.

On a regional level, Kenya's economic conditions throughout the year were influenced by internal political instability, a growing debt load, and the prolonged drought. That notwithstanding, trade tensions within the East African nations have reduced with all borders open for trade.

Furthermore, the impending commencement of the oil pipeline construction from Uganda to Tanzania is anticipated to stimulate economic growth in the region.

On a local level, the Uganda Bureau of Statistics projected that the Ugandan economy would grow between 5.3% – 5.5% in FY2022/23, compared to 4.6% in the previous year driven by the recovery in the agricultural and services sector. This is further supported by the easing inflationary pressures with the inflation rate decreasing from 10.7% in October 2022 to 4.9% at the end of June 2023. This is a result of Bank of Uganda's tight monetary policy response that saw the Central bank rate maintained at 10% in June 2023 for the fourth time in a row.

Our response

Through the Fund's innovation strategy, we aim to create an eco-system and community of innovators. Our efforts focus on nurturing entrepreneurship and providing support to small businesses with the capacity to scale and generate new economic prospects for Uganda. These will enable a future pipeline of contributions and new investment opportunities.

Regulatory landscape

The National Social Security Fund (Amendment) Act 2022 expanded the Fund's mandate to include all private employers irrespective of the number of employees but also opened the voluntary space. It also allows the Fund to develop innovative products to meet the diverse needs of our customers.

Our response

Considering our new mandate, the Fund pursued the refinement of its business model particularly focused on enhancing processes to better serve its customers. To cater for the diverse requirements of voluntary and informal savers, the Fund embarked on creating new products to meet their needs. This approach requires adopting a different Relationship Model, one that aligns more closely with the specific circumstances of the voluntary and informal savers. The Funds efforts continue to be directed toward ensuring that the varied needs of members are met, with the overarching goal of promoting both financial security and inclusive prosperity for all.

Evolving social and regulatory expectations to climate risk and ESG-related topics

In response to evolving social and regulatory expectations regarding climate risk and ESG-related matters, a global trend is emerging wherein regulators and investors are emphasizing the need for ESG-related disclosure requirements. Many companies are now conducting comprehensive assessments of their ESG (Environmental, Social, and Governance) strategies and disclosure practices.

Financial regulators are increasingly prioritising the management of climate risk and its implications for financial stability. This shift comes in the wake of the adoption of the Paris Agreement on climate change and the UN (United Nations) 2030 Agenda for Sustainable Development in 2015. Governments worldwide are actively pursuing the transition to low-carbon and circular economies, presenting both risks and opportunities for the economy and financial institutions. Moreover, the physical damage resulting from climate change and environmental degradation can profoundly impact both the real economy and the financial system.

On the social front, numerous instances of unrest, boycotts, growing unemployment and poverty, gender-based violence, and calls for greater inclusivity and empowerment are evident.

Our response

This year, we are pleased to present our inaugural Environmental, Social, and Governance (ESG) report covering the period ending on 30th June 2023. This comprehensive report highlights the combined outcomes of our ESG initiatives, reflecting our commitment to creating value and promoting shared prosperity for our members, the economy, and society.

 [Read our full ESG Report](#)

NSSF is dedicated to embedding a culture of continuous ESG improvement across its operations. This involves a cyclical process of assessment, adaptation, and alignment with ESG goals. ESG audits, both internal and external, will assess key metrics to ensure strategy effectiveness.

To stay current with ESG best practices, we will designate a team or individual to monitor industry trends, attend conferences, and engage with networks.

Regular reviews against evolving standards will guide strategy adjustments based on audits, stakeholder feedback, and emerging practices.

Stakeholders will participate in strategy review sessions, informing adjustments to ESG goals and initiatives. Employee contributions will also be encouraged through cross-functional teams focused on ESG domains.

Leadership commitment spans from the board of directors to the executive committee, advocating for ESG, allocating resources, and actively participating in feedback and dialogues.



Technology Acceleration



Mr. Benoni Katende
Chief Technology and Enterprise Solutions Officer



Fintech

In the realm of fintech, there is a mix of successes and setbacks. While some fintech companies have secured more funding and recognition, others have struggled to deliver on their initial promises of changing the game. This contrast highlights the diverse nature of the fintech landscape.

Artificial intelligence growing in prominence

A notable change is taking place in the field of artificial intelligence (AI), particularly with generative AI. This shift is not only changing how productive we can be but also redefining what human creativity means. With generative AI gaining prominence, its potential to collaborate with human innovation is being explored, possibly leading to groundbreaking levels of creativity.

Consumers face a wider range of options

Consumers are now facing a wider range of options across different market segments. This abundance of choices has shifted the balance in favour of buyers in the middle to upper tiers, creating an environment where buyers have more control. However, there is a concerning trend as this surplus of options tends to leave out those in lower economic segments, emphasising the existing inequalities.

Our response

The Fund has embraced technology and strategies driven by data. Key initiatives include the use of machine learning for back-end processing, Artificial intelligence driven financial literacy, simplified customer authentication, facial recognition, and channel ecosystem development, among others. By taking these innovative approaches, the Fund aims to not only attract new customers but also enhance the experience of our current clients. This concerted effort anticipates fostering growth that proves advantageous for all our stakeholders.



[Refer to Chairman Statement.](#)



[Refer to CIO's Statement.](#)



[Refer to MD and Statement](#)



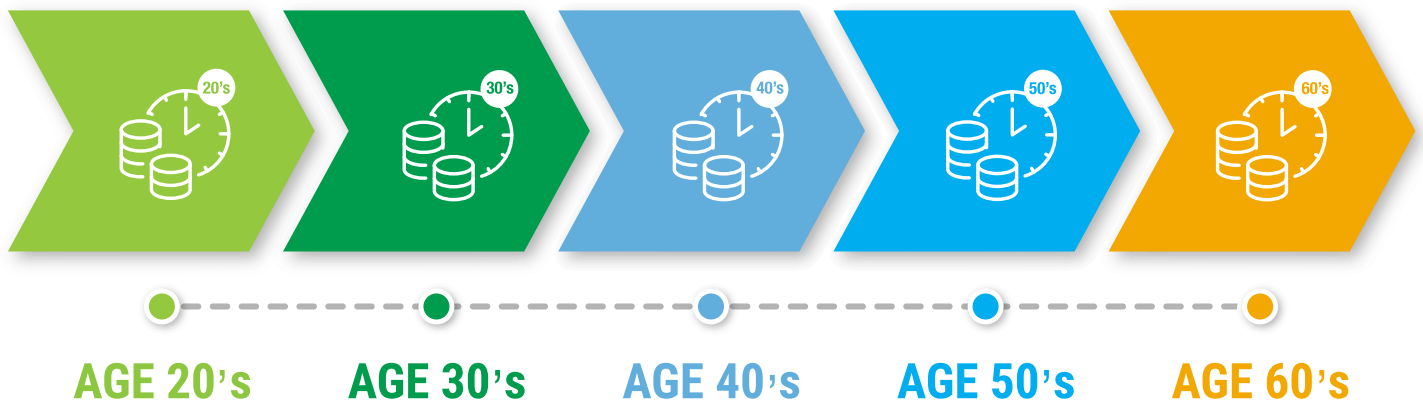
[Refer to Head of Enterprise Risk Management](#)

2. OUR BUSINESS

Retirement Journey

No matter what stage of life you are in, one thing will always remain the same. It is never too late or too early to save. Your age is one of the many factors in your personal financial picture. But do not get discouraged if you have not started yet, hit the pause button, and get back on track.

While financial needs and responsibilities are unique from person to person, financial priorities do vary according to stages in life.



Age 20's

Laying the foundation: Whereas your income may be low during this period, time is on your side. Invest in yourself and start a continuous savings plan. This is the time to start building a strong financial foundation and establishing your savings. It is not how much money you make, but how much money you keep, how hard it works for you, and how many generations you keep it for. Regardless of how young you are, learn to live within your means and look forward to the future. Start saving as much as you can – small amounts can earn you worthwhile compound interest.



You can start saving for your retirement with NSSF from as young as 16 years

[SHOW ME HOW HERE](#)



Age 30's

Setting Priorities: In your 30's, you should be settling into your career and growing your income base. Rather than planning to withdraw your retirement savings, preserve them in profitable investments. Be smart about your bonuses or promotions and use the extra money to grow your retirement savings. If you find your dream home and need financing, a 15-year mortgage is ideal since you have up to 45 years to settle it. This big commitment secures a home for your retirement and gives you room to save exclusively for retirement in the years to come.



You can make your tomorrow better by enrolling on the NSSF voluntary savings programme

[SHOW ME HOW HERE](#)



“Retirement is not a life without purpose; it is the ongoing purpose that provides meaningfulness – Robert Rivers



Age 40's

Accumulating wealth: If you have not started saving for retirement, you are going to have to make some tough choices. In your 40's you are probably “sandwiched” between saving for your children's education and medical bills, perhaps even supporting your elderly parents. Consider your passion by starting another stream of income. One which you can continue doing even in your retirement. Invest in your physical and mental well-being.

i Having saved for at least 10 years and you are 45 years and above, you may access your midterm benefits of a sum not exceeding 20% of your accrued benefits to boost your investments [SHOW ME HOW HERE](#)

Age 50's

Retirement in sight: You are now at the peak of your career and looking towards impending retirement. As this milestone gets closer, ensure you do not enter your retirement years with debt. This is the decade to pay off existing debt and increase retirement savings. At this stage, investment goals are more geared to consistent cashflows; therefore, traditional and passive investment tools can be utilised such as government bonds, treasury bills, insurance products etc. Ideally, start to think about how you want to enjoy your retirement.

i You can access your retirement benefits [SHOW ME HOW HERE](#)

Beyond active employment:

In your diamond age, be sure to find out exactly what your income is, and plan and review your budget. Carefully manage your money to ensure sustainability for the coming years. You can still invest in risk-averse and short-term products that can allow you to access your money in case of unforeseen emergencies, especially medical ones.

Building wealth and planning your retirement takes focus and dedication. Use retirement planning tools to track and manage your financial strategies.

i The Fund is in the process of developing short-term products which are now made possible through the NSSF Amendment Act 2022.



2. OUR BUSINESS

Benefits of Saving with NSSF

Meet Francis Kamulegeya, one of our members who embarked on his savings journey early in life, demonstrating how wise financial planning can lead to a secure and fulfilling retirement. His inspiring story not only highlights his successful financial journey, but also highlights how he generously gave back to the community, leaving a lasting impact.

Tell us about yourself

My name is Francis Kamulegeya, I am married with 4 lovely daughters.

I recently transitioned out of full-time employment after 27 years of employment. By my retirement, I was serving as Managing Partner for PwC Uganda, a member of the PwC Africa Governance Board, and Head of Tax in Uganda.

I am currently self-employed in the agriculture value chain sector, specifically farming, encompassing the cultivation, roasting, processing, packaging, and sale of coffee. I am also involved in pond fish farming, focusing on Tilapia and Catfish.

I would not describe myself as retired because I am busier than ever before. Currently, I hold positions on four different Boards of Directors, with my most recent appointment being as Chairman of Buganda Land Board. I also run five different family businesses with my wife, friends, and partners.



When did you start your saving journey with NSSF?

I began my formal savings journey at the age of 24, approximately 31 years ago, while I was both working and pursuing my studies in the UK (United Kingdom). This allowed me to save for my school fees, which proved to be a successful strategy. Through my savings, I was able to self-finance my education in accountancy, finance, and taxation, obtaining the qualifications that enabled me to join PwC in London. I continued saving and bought property in England until 2003 when I returned to Uganda. I subsequently became a member of NSSF and continued saving with them until December 2022 when I reached the age of 55 and received my retirement benefits.

When you commenced your savings journey with NSSF, how did you feel?

I have always considered myself to be financially literate even before I studied finance and accounting. My financial awareness goes back to my early days as a young boy in Masaka, where I engaged in small trades and earned money. As a student in London, I had to pay my own tuition fees, so it was a no brainer for me to start saving.

Unlike the sentiments we find in other people, I always looked at saving as one of the ways of securing my own future but most importantly looked at saving as a way of rewarding myself, since spending means you are rewarding someone else.

I had a very disciplined culture of saving. The one thing that got me well-grounded was a course I attended in 2003 about Personal Financial Planning where the instructor clearly emphasised the importance of saving and how to improve your current savings using a simple rule of thumb (divide your age by 2, take that as a percentage of your gross income, and that is how much you should be saving). According to this rule, the earlier you start saving, the lower the percentage of your income you need to set aside, especially when considering NSSF, given the power and magic of compounding.

How did you utilise your retirement benefits?

I planned to retire before my formal retirement age of 60 in PwC. I decided to retire at the age of 55, with a well-thought-out plan in mind. My goal was to access my retirement benefits, supplement them with my other savings, and combine all income from my passive investments to support my various projects.

One of the projects I have been running in my home city of Masaka is a school for special needs children that I initiated in 2003. This social project was kickstarted with personal funds and support from friends, family, and well-wishers to provide education to deaf children.

Unfortunately, when these children finish primary level 7, the options for secondary education are severely limited due to financial constraints, a scarcity of special needs education secondary schools, and high unemployment rates.

To address this gap, in 2020, I took the initiative to establish a vocational training institute to provide opportunities not only for these children but also for the wider community in the greater Masaka region. This decision was motivated by the pressing need for specialised vocational training, the high unemployment rates, and a shortage of skilled entrepreneurs.

Using my retirement benefits and other savings, I launched the institute, which I believe is of world-class quality in terms of its spaciousness and well-equipped facilities. It is my dream to transform it into a centre of excellence, offering a range of skills, training programmes, particularly targeting Ugandans in the southern region who will be working on the oil and gas projects along the pipeline route that passes close to my village in Kyotera.

The retirement benefits helped me to advance projects that I have always been deeply passionate about, projects that would have a long-lasting impact on society, and will continue to thrive after my time. This kind of social project was not only fulfilling but also addressed a need I had identified over the course of many years.

Furthermore, the project has proven to be income generating, and has the potential to be profitable once fully operational. It aligns perfectly with the current needs of our country.

CASUAL
LABOURERS
SUB CONTRACT
WORKERS
SMALL
EMPLOYERS

**NOW YOU CAN
SECURE THEIR FUTURE**

The NSSF Amendment Act now requires all formally registered employers to make monthly NSSF contributions for their staff regardless of the number of staff they employ.

Register your company, visit www.nssfgo.app or the nearest NSSF branch.
Call 0800 286 773 for more information.

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2. OUR BUSINESS

What message do you have for people struggling to save money, or having challenges with managing finances?

When you advise people to save, they always put it off, thinking that it is not for now, they believe you first spend and then save whatever is left later. My message to young people, especially is that if you are planning to live longer, note that today everything is different. Improved medical care, wellness programmes, higher levels of education, improved standards of living, mean that the mortality rates are lower and life expectancy is higher. It is sad to live longer when you are poor, and you become a burden to everybody. Social security is a means of saving for yourself. If you want to have a good life, you must plan better. Before you think of retirement, have a plan of how you will live your life after employment and that plan starts now.

As you are spending, put some money away to take care of yourself in the future. Saving is a reward to yourself and a way of shielding yourself from financial burdens that you may experience later in life.

Take care of the long-term benefits, in terms of medical products, investments, and saving for school fees.

Manage your debts better. For you to be able to clear a debt, either you have an investment to liquidate or savings to pay off the debt. Ensure you take care of your debts so that you are not tied down to working because of a running debt.

Financial independence should be the goal. Do not work because you have no option, live within your means, define your own success, and most importantly make sure you save to a point where your savings work for you.

What message do you have for people planning to take their retirement benefits?

Retirement does not mean stopping work and returning to one's village to quietly await the end. It means planning for a long, fulfilling, and extended life during retirement.

Retirement planning goes beyond finances; it is about taking charge of your life. It means waking up each day with the freedom to pursue your passions, wherever, whenever, and with whomever you choose. The goal is to retire from work, not from life itself.

Money should serve as a way of enhancing your life experiences. Focus on having something to retire to, rather than merely retiring from your job.

If you do not have a plan for your savings yet, do not withdraw your money until you have one. Your benefits are very safe with NSSF.

Until you have a plan, those benefits will be making more money for you in terms of earning interest through the power of compounding.

The NSSF team possesses expertise in various investment options, including real estate, equities, money markets, foreign exchange trading, treasury bills, and shares, all with competitive returns. When withdrawing your benefits, ensure you have an investment project offering better returns than NSSF.



Avoid investing in unfamiliar projects, especially those with long payback periods like real estate. Seek financial planning before committing your funds. Instead, consider withdrawing part of your benefits until you have a well-defined investment plan with superior returns.

There comes a time when liquidity is crucial, and your assets, such as land, may not provide immediate help. It is easier to withdraw retirement benefits from NSSF when needed, compared to selling property in emergencies.

As retirement approaches, view it as a transition from your current roles and responsibilities to a new phase with different ones.

Reflect on:

- Your readiness to leave your current job and title
- The development of a distinct identity apart from your job or title
- The assets and resources you have accumulated over your working years
- Your plans for the 25+ years after retirement, including spending time with family and friends

Considering these factors will help you make informed decisions about your retirement benefits and the new chapter in your life.

Having accessed your retirement benefits, what advice do you have for the people saving or planning to start saving with NSSF?

The concept and awareness of saving is there, it is just that it is informal, not well regulated, and not well structured. Now you can with NSSF. The new regulations make it possible for anyone to start saving with NSSF, without limitations on the nature of employment, the number of employees or voluntary contributions. These changes offer flexibility to start your savings journey with NSSF.

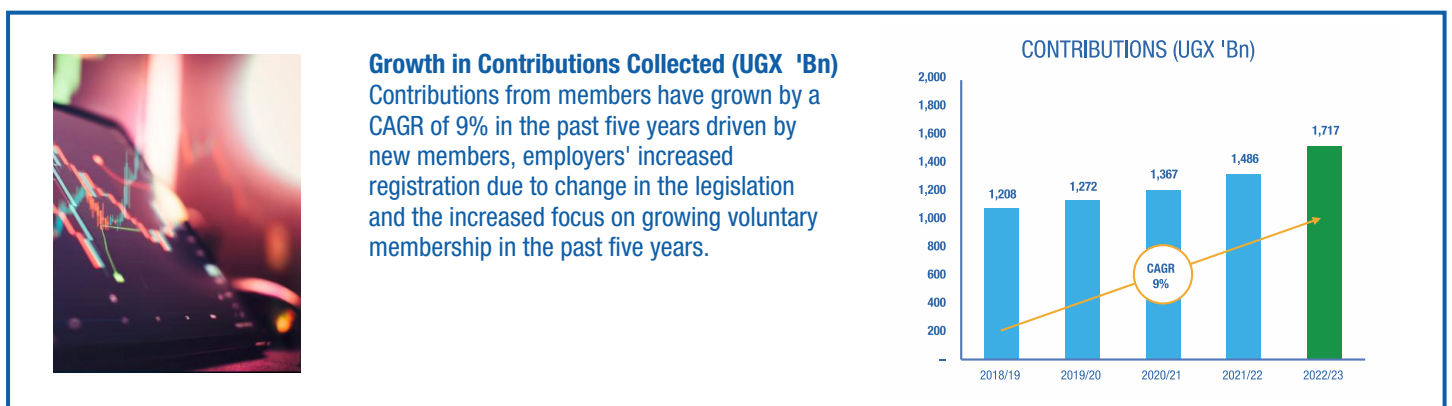
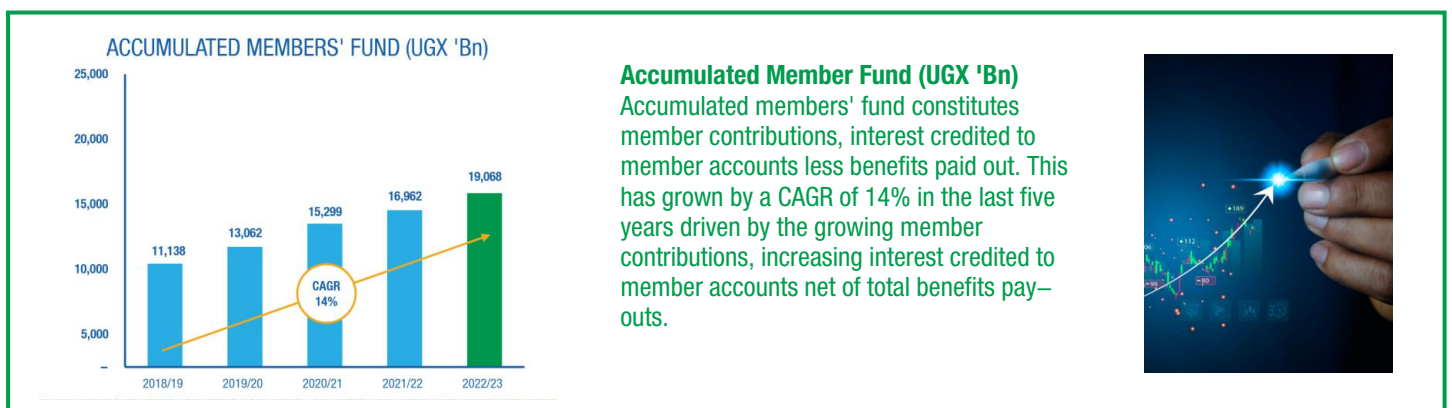
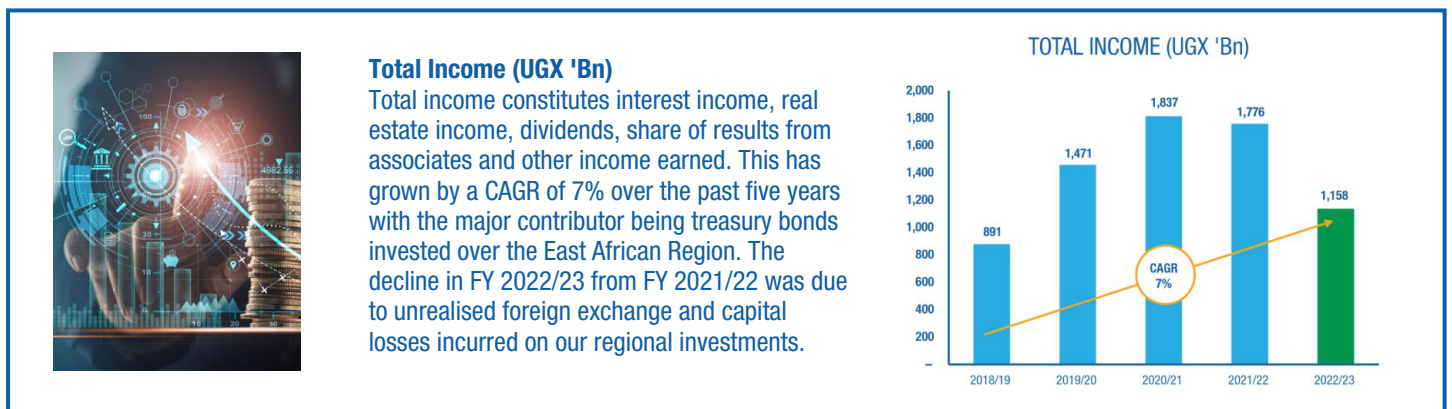
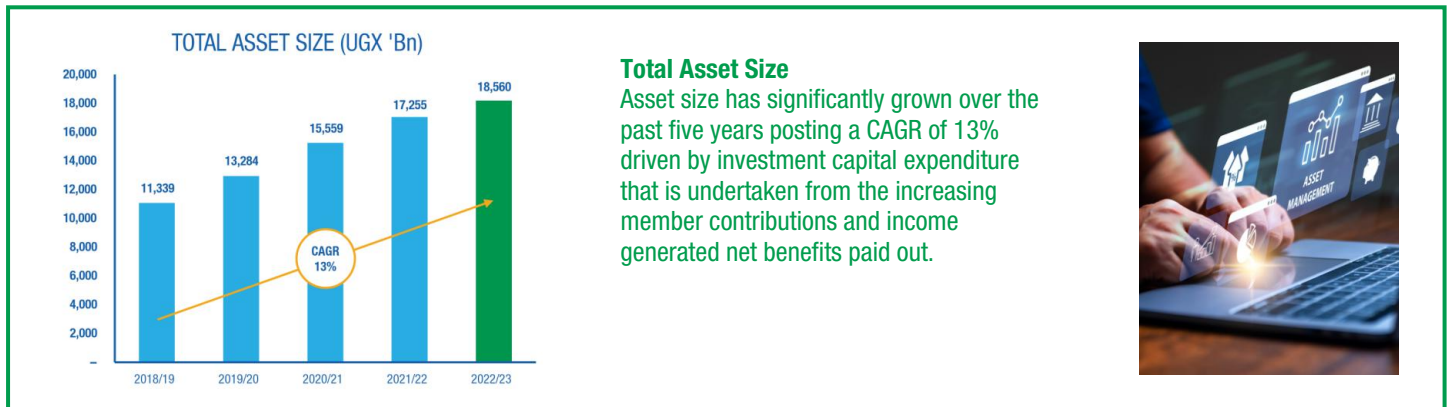
Take advantage of the upcoming voluntary schemes and products that align with your means. Allow your savings to generate returns and secure your retirement. Social security has evolved from relying on extended families to ensuring your ability to maintain your lifestyle beyond your working years.



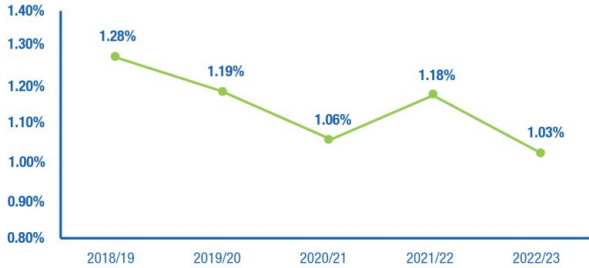
2. OUR BUSINESS

Financial and Operational Highlights

Financial highlights



COST OF ADMINISTRATION (%)



Cost of Administration (%)

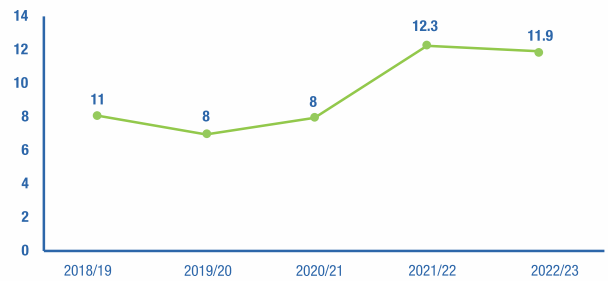
The Fund's Cost of Administration largely reduced due to the Fund's cost saving mechanisms and the reversal of the unutilised provisions from prior periods.



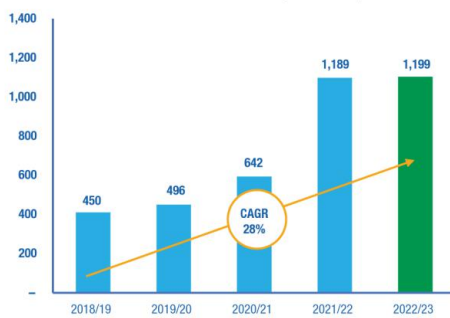
Benefits Turnaround Time (Days)

The Turnaround time for benefit payouts was 11.9 days in FY 2022/23. This was slightly better than the previous year because of the improved user experience of the pension administration system.

BENEFITS TURNAROUND TIME (DAYS)



BENEFITS PAYMENTS (UGX 'Bn)



Benefits Paid (UGX 'Bn)

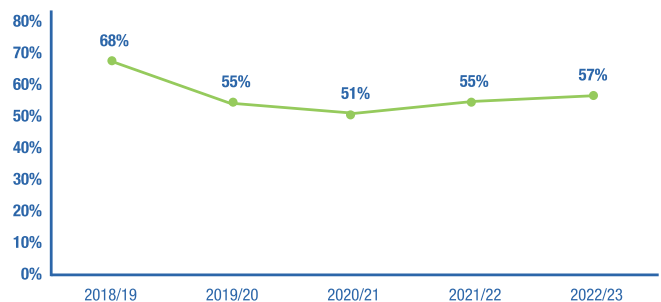
Benefits paid grew by a CAGR of 28% in the last 5 years. The slight increase in FY 2022/23 was due to increased media attention on the Fund that created scepticism among its members that led to increased claims. This later normalised.



Compliance Level (%)

Compliance for FY 2022/23 closed at 57% as of 30 June 2023. This improved from the previous year due to economic recovery in addition to the Fund's increased compliance enforcement measures.

COMPLIANCE LEVEL (%)



2. OUR BUSINESS

Operational highlights

Adapting to Disruption

NSSF was awarded a 5–Star best practice certification scheme rating during the 9th International Best Practice Competition 2023.

This was in relation to the Fund's journey with the Flexible Balanced Scorecard. The Fund detailed its transformative journey of implementing a dynamic and flexible balanced scorecard system highlighting how staff are empowered to embrace new initiatives at any point during the year.



Leveraging AI Chatbots

NSSF was awarded a 4–star rating for its best practice of leveraging AI chatbots to enhance financial literacy at the 9th International Best Practice Competition 2023.

This was in relation to the Fund's utilisation of AI–driven chatbots by implementing cutting–edge technology trained to address the unique financial education needs of the Ugandan population.

Re–thinking and Remodelling Entrepreneurship in Uganda

NSSF was awarded a 5–star rating for its best practice of re–thinking and remodelling entrepreneurship in Uganda as a sustainability strategy at the 9th International Best Practice Competition 2023.

The Fund's Hi–Innovator programme focuses on challenging the conventional mindset of entrepreneurs in Uganda. Its emphasis is on instilling a growth–oriented perspective among local entrepreneurs to create jobs.



African Corporate Governance Network Awards November 2022

NSSF received a Corporate Award from the 2022 African Corporate Governance Network for the Fund's immense contributions towards nation building: enhancing socio-economic development and promoting good corporate governance outcomes in Uganda and Africa as a whole.



Institute of Corporate Governance Awards of Uganda (ICGU)

NSSF was ranked the first runner up by the ICGU for its Corporate Governance practices in the Public Sector Enterprises that was held on 28th September 2022.

Enabling Breastfeeding

NSSF received an Award for making a difference for working parents and enhancing staff productivity.

UNICEF and the Ministry of Health recognised the Fund for its efforts towards protecting the rights and dignity of the breastfeeding mothers. The Fund promotes exclusive breastfeeding of infants for its working staff through its exquisite childcare facility also known as the NSSF Creche at its offices.



2. OUR BUSINESS

Five Year Performance Review

Income Statement	Actual 2018/19 Ushs. Billion	Actual 2019/20 Ushs. Billion	Actual 2020/21 Ushs. Billion	Actual 2021/22 Ushs. Billion	Actual 2022/23 Ushs. Billion	Budget 2022/23 Ushs. Billion	Actual 2022/23 Vs Actual 2021/22 Var %	Actual '2022/23 Vs Budget 2022/23 Var %	CAGR (2018/19 –2022/23)
Total Income	891	1,471	1,837	1,776	1,158	1,946	–35%	–40%	7%
Total Revenue (Core)	1,255	1,472	1,696	1,912	2,201	1,946	15%	13%	15%
Total Cost*	145	158	164	203	191	221	–6%	–14%	7%
Profit Before Interest & Tax	746	1,312	1,672	1,573	968	1,726	–38%	–44%	7%
Profit After Tax + Interest to Members	573	1,160	1,505	1,393	775	1,549	–44%	–50%	8%

Financial Position (UGX' Bn)	Actual 2018/19 Ushs. Billion	Actual 2019/20 Ushs. Billion	Actual 2020/21 Ushs. Billion	Actual 2021/22 Ushs. Billion	Actual 2022/23 Ushs. Billion	Budget 2022/23 Ushs. Billion	Actual 2022/23 Vs Actual 2021/22 Var %	Actual '2022/23 Vs Budget 2022/23 Var %	CAGR (2018/19 –2022/23)
Total Assets	11,339	13,284	15,559	17,255	18,560	18,988	7.6%	–2.3%	13%
Fixed Income Investments	8,693	10,235	11,773	13,061	14,340	14,303	9.8%	–0.3%	13%
Equity Investments	1,675	1,912	2,378	2,607	2,370	3,040	–9.1%	–22.0%	9%
Real Estate	802	943	1,142	1,173	1,303	1,146	11.1%	13.7%	13%
Total Investments	11,170	13,090	15,292	16,842	18,013	18,489	7.0%	–2.6%	13%
Accumulated Members' Funds	11,138	13,062	15,299	16,962	19,068	18,666	12.4%	2.2%	14%

Financial Performance (%)	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Budget 2022/23	Actual 2022/23 Vs Actual 2021/22 Var %	Actual '2022/23 Vs Budget 2022/23 Var %	CAGR (2018/19 –2022/23)
Realised Return on Average Investment (%)	11.9%	12.1%	11.9%	11.9%	12.6%	10.5%	–6%	20%	N/A
Cost Income Ratio (%)	16.29%	10.77%	8.95%	11.44%	16.39%	11.36%	–43%	44%	N/A
Cost of Administration (%)	1.28%	1.19%	1.06%	1.18%	1.03%	1.16%	13%	–12%	N/A

Member's Fund Statistics (UGX'M)	Actual 2018/19 Ushs. Billion	Actual 2019/20 Ushs. Billion	Actual 2020/21 Ushs. Billion	Actual 2021/22 Ushs. Billion	Actual 2022/23 Ushs. Billion	Budget 2022/23 Ushs. Billion	Actual 2022/23 Vs Actual 2021/22 Var %	Actual '2022/23 Vs Budget 2022/23 Var %	CAGR (2018/19 –2022/23)
Contributions Collected	1,208	1,272	1,367	1,486	1,717	1,630	15%	5%	9%
Benefits Paid	450	496	642	1,189	1,199	1,127	1%	6%	28%
Interest Credited to Members**	978	1,154	1,516	1,362	1,584	1,543	15%	3%	13%

Member's Fund Statistics	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Budget 2022/23	Actual 2022/23 Vs Actual 2021/22 Var %	Actual '2022/23 Vs Budget 2022/23 Var %	CAGR (2018/19 –2022/23)
Interest Declared (%)	11.00%	10.75%	12.15%	9.65%	10%	9.86%	4%	1%	N/A
Compliance Level (%)	68%	55%	51%	55%	57%	52%	4%	10%	N/A
Benefits Processing Time (Days)	7	7	8	12.3	11.9	8	–3%	N/A	N/A

Customer Satisfaction Rate (%)	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Budget 2022/23	Actual 2022/23 Vs Actual 2021/22 Var %	Actual '2022/23 Vs Budget 2022/23 Var %	CAGR (2018/19 –2022/23)
Internal Customers (Staff)	88%	93%	94%	93%	86%	90%	–8%	–4%	N/A
External Customers (Members)	84%	88%	86%	82%	88%	86%	2%	2%	N/A

Total Costs (Operating Expenditure)*

Operating expenses represent costs incurred to support income generation for the Fund. Major categories include staff costs, equipment costs, costs associated with Fund Premises and other costs. These have grown at a CAGR of 7% over the past 5 years in line with the Fund growth.

Interest Credited to members**

Interest credited to members has grown by a CAGR of 13% in the past five years due to continued exceptional performance posted by the Fund. The rates declared have consistently surpassed the 10-year average inflation threshold.



Register your **Company**

Register for **Membership**

Apply for **NSSF Benefits**

Do it online
Chap
Chap

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Visit www.nssfgo.app or download the **NSSF GO App** today.  

For more information, visit www.nssfug.org or call **0800 286 773** toll-free.
*Terms and Conditions Apply.



2. OUR BUSINESS

Business Model and Value Creation Aligned to the Six Capitals

How we run our business

We create, preserve, and defend value by using our resources responsibly to maximise outputs and outcomes for our Members and all stakeholders and ensures our ability to create value in the future.

Financial Capital



Inputs – What we need to run our business

- Members' Fund of UGX 19.07Tn (June 2022: UGX 16.96Tn)
- Cash balance UGX 190.7Bn (June 2022: UGX 72.8Bn)
- Contributions received UGX 1.72Tn (June 2022: UGX 1.58Tn)

Trade-offs

- Increase investment in fixed deposits at the expense of treasury bonds

Outcomes – What we achieved

- ↑ Cost-to-income ratio of 10.2% (June 2022: 11.44%)
- ↑ Cost-of-Administration ratio of 1.03% (June 2022: 1.18%)
- ↑ Interest to members (RoE) of 10% (June 2022: 9.65%)
- ↑ Benefits paid UGX 1.199Tn (June 2022: UGX 1.189Tn)
- ↑ Benefits TAT 11.9 days (June 2022: 12.3 days)
- ↑ 57% of Employer compliance (June 2022: 55%)

Intellectual Capital



Inputs – What we need to run our business

- A deliberately shaped, customer-centric culture
- A strong Brand that resonates with consumers
- Brand costs of UGX 9.9Bn (June 2022: UGX 6.6Bn)

Trade-offs

- None

Outcomes – What we achieved

- ↓ Tonality score of 79% (June 2022: 95%)
- ↑ Customer satisfaction rate of 88% (June 2022: 82%)
- Retention of specialist skills (Data Science Specialists, Software Developers, and CFAs)

Human Capital



Inputs – What we need to run our business

- 579 staff (June 2022: 637) skilled, customer-centric staff
Experienced and ethical leadership team
- Staff satisfaction and engagement survey
- Significant investment in learning and development of UGX 3.66Bn (June 2022: UGX 2.58Bn)
- Employment Equity initiatives
- UGX 87.2Bn (June 2022: UGX 117.5Bn) paid in salaries and benefits
- Staff wellness programmes. Spending on staff wellness of UGX 2.82Bn (June 2022: UGX 2.78bBn)

Trade-offs

- Re-aligning the organisational structure to the Fund Strategy

Outcomes – What we achieved

Maintained employee motivation, skills and diversity through:

- Percentage salary increase for lower staff is equal to Management for the same performance ratings
- ↓ Equity 54% Male and 46% Female (June 2022: 52% Male and 48% Female)
- ↓ Staff attrition of 6.5% (June 2022: 2.1%)

Declined people satisfaction levels:

- ↓ 86% (June 2022: 92%) staff satisfaction score declined due to the investigations the Fund was under this financial year

INPUTS

NSSF collects 5% Member contributions and 10% Employer contributions

OUTCOMES

Members are able to grow their savings and afford a better life after retirement



↑ Value Creation

↓ Value Erosion

→ Value Preservation

Manufactured Capital

VALUE CREATION
NSSF invests prudently in Real estate, Equities and Fixed Income

Inputs – What we need to run our business

- Digital channel and innovation spend UGX 1.799Bn (June 2022: UGX 1.70Bn)
- Infrastructure spend (branches and contact centres) UGX 10.5Bn (June 2022: UGX 8.4Bn)
- Substantial investment in our Enterprise Architecture UGX 12.9Bn (June 2022: UGX 7.1Bn)

Trade-offs

- Building more resilient and agile IT systems

Outcomes – What we achieved

- ↓ 92% of our member transactions and interactions were hosted digitally (June 2022: 93%)
- ↑ Uptime of application systems at 99.3% (June 2022: 99%)
- Staff efficiently working from home: 100%
- ↑ 2.3 million customers (June 2022: 2.2 million)
- ↓ e-channels penetration growth rate of 42.2% (FY 2022: 70.5%)
- ↑ Payout of benefits 11.9 days (June 2022: 12.3 days)

OUTPUTS
General Revenue is credited to members as interest on accumulated savings and used to cover administration costs of running the fund

Social and Relationship Capital

Inputs – What we need to run our business

- A focus on responsible procurement and supplier development
- Stakeholder engagement
- Focused and committed to corporate social investment
- Prioritising commitment to identified SDGs and responsible ESG practices

Trade-offs

- Building more affordable houses for our stakeholders

Outcomes – What we achieved

- ↑ Total CSR spend of UGX 898M (June 2022: UGX 249.8M)
- Responsible corporate citizen and commitment to SDGs
- ↑ UGX 186.94Bn (June 2022: 179.96Bn) direct tax contributions
- ↑ Buy Uganda Build Uganda (BUBU) (97.9% of procurements are with local suppliers (June 2022: 90%))
- ↓ Financial literacy campaigns UGX 0.371Bn (June 2022: 0.439Bn)
- Compliance with regulatory requirements of the URBRA Act, 2011, as applicable
- ↑ New membership 8%: (June 2022: 6%)
- ↓ 90% of customers who logged complaints were resolved at the first attempt (June 2022: 95%)

Natural Capital

Inputs – What we need to run our business

- Energy efficiency and management
- A meaningful contribution to our environmental sustainability, aligned to the national, regional and global development goals
- Water conservation and waste management

Trade-offs


- None


Outcomes – What we achieved


- ↓ 6% increase in water consumption (June 2022: -27%)
- ↑ 28% reduction on energy consumption (June 2022: 4%)
- ↓ 8% increase in paper consumption (June 2022: +336%)
- 100% of the waste from buildings diverted to KCCA pipelines in line with City Council Solid Waste Management Ordinance of 2000
- Green certificates for Pension Towers and the Lubowa housing project

2. OUR BUSINESS

How our outcomes have delivered value for our stakeholders

Members 					
Financial Capital	Intellectual Capital	Human Capital	Manufactured Capital	Social and Relationship	Natural Capital
<ul style="list-style-type: none"> ↑ Interest to members (RoE) of 10% (June 2022: 9.65%) ↑ Benefits paid UGX 1.199Tn (June 2022: UGX 1.189Tn) 	<ul style="list-style-type: none"> ↑ Customer satisfaction rate of 88% (June 2022: 82%) 	<ul style="list-style-type: none"> ↑ Investment in learning of UGX 3.66Bn (June 2022: UGX 2.58Bn) to improve productivity and increase staff satisfaction levels. 	<ul style="list-style-type: none"> ↑ Successful implementation of the Pension Administration System which enables new product development, automation of key processes to improve customer service and reduction of turnaround times for pay-out of benefits to members 	<ul style="list-style-type: none"> ↓ Investment in Financial literacy campaigns UGX 0.371Bn (June 2022: 0.439Bn) ↑ Responsible ESG leadership and investment in corporate social responsibility initiatives to improve the lives of members and the communities in which we operate 	<ul style="list-style-type: none"> ↑ Responsible ESG leadership and investment

Employees 					
Financial Capital	Intellectual Capital	Human Capital	Manufactured Capital	Social and Relationship	Natural Capital
<ul style="list-style-type: none"> ↑ Significant investment in staff wellness. Spending on staff wellness of UGX 2.82bn (June 2022: UGX 2.78Bn) 	<ul style="list-style-type: none"> ↑ Retention of specialist skills (Data Science Specialists, Software Developers, and CFAs) ↓ Staff attrition of 6.5% (June 2022: 2.1%) 	<ul style="list-style-type: none"> ↓ 86% (June 2022: 92%) staff satisfaction score. ↓ Equity 54% Male and 46% Female (June 2022: 52% Male and 48% Female) 	<ul style="list-style-type: none"> ↑ Uptime of application systems at 99.3% (June 2022: 99%) ↑ Staff efficiently working from home: 100% 	<ul style="list-style-type: none"> ↓ 90% of customers who logged complaints were resolved on the first attempt (June 2022: 95%) 	<ul style="list-style-type: none"> ↓ 6% increase in water consumption (June 2022: - 27%) ↑ 28% reduction in energy consumption (June 2022: 4%) ↓ 8% increase in paper consumption (June 2022: 336%)

Suppliers 					
Financial Capital	Intellectual Capital	Human Capital	Manufactured Capital	Social and Relationship	Natural Capital
<ul style="list-style-type: none"> ↓ Local supplier contracts awarded: UGX 190bn (June 2022: UGX 194bn) 	<ul style="list-style-type: none"> ↑ Hi-Innovator Programme in partnership with Mastercard Foundation to support highly impactful and scalable small and growing businesses to access seed capital and technical support thereby creating an efficient business ecosystem. ↑ 27 businesses received a grant of USD 30,000 each 	<ul style="list-style-type: none"> ↑ Good relationships maintained with suppliers ↑ Supplier satisfaction rating of 99% (June 2022: 98%) 	<ul style="list-style-type: none"> ↑ Introduced the Pension Administration System (OctoPAS) and upgraded our ERP system 	<ul style="list-style-type: none"> ↑ Buy Uganda Build Uganda (BUBU) (97.9% of procurements are with local suppliers) ↑ 160 (June 2022: 148) contracted suppliers 	<ul style="list-style-type: none"> ↑ Green certification for Pension Towers and the Lubowa Housing Development.

Value Creation	Value Erosion	Value Preservation
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Communities 					
Financial Capital	Intellectual Capital	Human Capital	Manufactured Capital	Social and Relationship	Natural Capital
Total CSR spend of UGX 898M (June 2022: UGX 249.8M)	Tonality score of 79% (June 2022: 95%)	32 hours dedicated to CSI initiatives	e–channels penetration growth rate of 42.2% (FY 2022: 70.5%)	Responsible corporate citizen and commitment to SDGs Responsible ESG leadership and investment in corporate social responsibility initiatives to improve the lives of members and the communities in which we operate	Green certificates for Pension Towers and the Lubowa Housing Development

Regulators and Legislators 					
Financial Capital	Intellectual Capital	Human Capital	Manufactured Capital	Social and Relationship	Natural Capital
57% of Employer compliance (June 2022: 55%)	During the Financial Year (FY), the Fund has actively involved its regulators and Government in an ongoing process of collaboration, striving to create sustainable value for our members, takeholders, and society as a whole. Our reputation depends on and is also influenced by our regulators and government’s perceptions, which in return affects our performance. We therefore have a shared responsibility to engage with these key stakeholders across all aspects of our operations and functions, utilising various communication channels. They play a vital role in our success at every stage in our value chain	The Fund maintains good relationships with supervisory regulators and a broad array of other policymakers. Our senior leaders and Board commit a significant amount of their time to meet with our regulators and policymakers, providing opportunities for us to understand their needs, expectations and priorities and to keep them informed about developments in our business	Procurements processed using e–Government procurement system, and complied to the provisions of the PPDA amended Act of 2021	UGX 193.23Bn (June 2022: UGX 180.41Bn) Compliance with regulatory requirements of the URBRA Act, 2011, as applicable	100% of the waste from buildings diverted to KCCA pipelines in line with the City Council Solid Waste Management Ordinance of 2000 Water and waste handling, treatment, and disposal are conducted in accordance with regulations, as identified in Section 4.2, Global Environmental Health and Safety (GEHS), which guide water monitoring and management Environmental Impact Assessments by the National Environmental Management Authority (NEMA) on all the Fund’s construction projects in compliance with Regulation 37 of the Environmental Assessment Regulations, Statutory instrument No.13 of 1998

2. OUR BUSINESS

Strategic Trade-offs Impacting our Capitals

Utilising our capital inputs most efficiently informs our business model on how to optimise our capital outputs and outcomes for our stakeholders. Our decisions are made in the best interests of our stakeholders, although at times tough decisions need to be made that conflict with stakeholder needs and making strategic trade-offs is necessary to position our business for future growth and resilience.

Apart from creating and preserving value, there are instances where value is diminished through our activities. When making decisions on how to manage our business, we consider the trade-offs between capitals: we aim to maximise positive outputs and outcomes and limit negative impacts.

The trade-offs that we have made during the reporting period and the rationale for our decisions are reflected below.



Trade-offs in our use of Financial Capital



The investment portfolio allocation presents trade-offs: increasing investment in East Africa

As per the NSSF Investment Policy, the Fund can allocate a maximum of 55% of its portfolio to investments within Uganda. Consequently, the Fund needs to explore alternative investment opportunities in the remaining East African region. In this pursuit, additional investments were made in treasury bonds in Kenya. However, the performance of the Kenyan shilling against the US Dollar had a negative impact, affecting the bottom line during the financial year.

Key actions:

During the financial year UGX 583 Bn was invested in Kenya through treasury bonds and equities. This increased the Funds currency exposure amidst depreciating Kenyan shillings. The Fund takes a bit of comfort in the favourable tax treatment in Tanzania and Kenya (withholding tax rate is 10% for securities with maturities above 10 years and tax exemption for infrastructure bonds) to partly counter the foreign exchange risks as we keep investing in these markets. The Fund is also exploring opportunities in alternative investments such as major oil and gas sectors, as well as investment in the major infrastructure projects within Uganda. This will provide the opportunity to diversify our investment portfolio and curtail some of the investment risks in our current exposure.

Long term positive impact

- Diversification of the investment portfolio, reducing overall investment risk
- Potential for higher long-term returns compared to a concentrated investment
- Expanding market opportunities
- Contributed to the following SDGs



Risk



Short term negative impact

- Lower return on investment
- Increased volatility/additional market risk
- Fluctuating currency exchange rates

Material matters



Trade-offs in our use of Financial Capital

The investment portfolio allocation presents trade-offs: increasing investment in fixed deposits while reducing investment in treasury bonds.

Due to the implementation of Section 20a of the NSSF Amendment Act, the Fund remains cognisant of the need to balance its fixed income portfolio to provide for shorter term investments in fixed deposits and treasury bills. The intention is to provide short term cashflows needed to pay midterm access to benefits for qualifying members. Consequently, the continued investment in the short-term fixed income portfolio reduced the return on investment by at least 1% point from the return earned in the previous financial year of 11.9%.

The Fund paid out UGX 1,199 Bn in 2023 compared to UGX 1,189 Bn in 2022, representing an increase of 6.3% above the planned pay out of UGX 1,127 Bn.

Key actions:

To effectively manage liquidity and meet the midterm benefit obligations, the Fund continues to prioritise significant investments in short-term fixed income assets bills with lower returns rather than opting for long-term, high-yield treasury bonds.

Long term positive impact

- Increased public confidence
- Increase in customer satisfaction
- Contributed to the following SDGs



Risk

1 MARKET RISK – FOREIGN EXCHANGE

12 LIQUIDITY RISK

Short term negative impact

- Lower return on Investment

Material matters



Trade-offs in our use of Human Capital

The organisational redesign involved trade-offs: aligning the organisational structure with the Fund's Business Model.

To meet the needs of its members and enhance the customer experience, the Fund continued to realign its operating model. This process included the creation of new roles and the dissolution of positions that were no longer relevant, resulting in some staff members choosing to leave the organisation. During this exercise, the Operations Department was dissolved and 112 staff were reallocated to the Technology and Enterprise Solutions Department (6) and Commercial Department (106). Furthermore, a Strategy Department was established as a separate unit from the Managing Director's Office, and a Head of Strategy was elevated to the Executive Committee (EXCO). This restructuring also led to 24 staff members choosing to depart from the organisation.

Key actions:

The Fund conducted a thorough assessment and realignment of its business processes and staff structure. This was done to cultivate a more agile and skilled workforce capable of adapting to changing business requirements. In line with the Board's priority of ensuring job security, the Fund invested in a reskilling programme to address any skill gaps and facilitate staff reallocation within the organisation, where feasible.

Long term positive impact

- Increased productivity
- Increase in staff skills and agility
- Increased staff confidence
- Positive staff/member engagement and feedback
- Contributed to the following SDG's



Risk

5 GOVERNANCE RISK

Short term negative impact

- Employee morale impacted by the organisational redesign
- Organisational redesign negatively impacted workforce productivity

Material matters



2. OUR BUSINESS

Trade-offs in our use of Manufactured and Financial Capital



The trade-offs involved in increasing IT capacity of building more resilient and agile IT systems.

The implementation of the Fund's Pension Administration System, OctoPAS, as part of the digital acceleration strategy, has generated numerous opportunities. These opportunities include the ability to develop new products, which necessitated extensive business process re-engineering and the introduction of new roles, such as data science experts, business analysts, data engineers, including a focus on testing and quality assurance.

Key actions:

During the financial year, the Fund's primary focus was to enhance capacity within the IT Project Team. Efforts were made to identify additional opportunities to customise OctoPAS, thereby expanding the range of products and services offered in the short and medium term.

Long term positive impact

- Increased productivity
- Increase in staff skills and agility
- Increased customer satisfaction with more self-service channels on OctoPAS
- Increased product offering
- Reduce turnaround time for payout of benefits
- Contributed to the following SDG's



Short term negative impact

- Stagnated the turnaround times for pay-out of benefits at 11.9 days, a very minor change from 12.3 days last financial year due to system constraints
- Significant time and effort to focus on business process re-engineering and customisation of the system to extend the product and service offering
- Increased spend to build IT capacity

Risk



Material matters



Trade-offs in our use of Financial, Social, and Relationship Capital



The trade-offs of affordable houses: Building more affordable houses for our stakeholders.

Real estate forms part of our investment portfolio, and as a country we have a housing deficit of approximately two million houses. However, it remains quite costly to construct decent and affordable houses in Uganda because of the prohibitive cost of basic infrastructure including land, roads, telecom, water, and electricity.

Such costs increase the fixed costs of real estate development and affect the price of the final house to the consumer. As a result of the societal concerns for affordable housing, this compromises our need for the real estate project to provide a good return to the members (200 basis points above the 10-year average inflation).

Key actions

During the year, the Fund progressed well with the construction works of the affordable houses in Temangalo whose feasibility study revealed that the site will be able to provide affordable houses to the middle-and lower-income segments of our society. The phased project of 3,500 housing units is on course, and phase one which has 550 housing units has a target completion date set for December 2024.

Long term positive impact

- Increased public confidence
- Future reduction in the housing deficit in the country
- Good gross return to members
- Contributed to the following SDG's



Risk



Material matters



Short term negative impact

- Increased cost of houses given increased basic infrastructure costs

Risk and Opportunity Management

Introduction

The FY (Financial Year) 2022/23 began with a sense of normalcy, as businesses prioritised recovery from the impact of Covid-19. However, regional, and international geopolitical dynamics introduced new challenges, slowing down the economic recovery phase and creating a more challenging risk landscape.



Mr. Edward Senyonjo,
Head of Enterprise Risk Management



The main factors that have led to the burgeoning risk landscape include:

Russia – Ukraine conflict

The Russia–Ukraine conflict, initially anticipated to be short-lived by many global players, has now evolved into a widespread global conflict. This escalation has significantly disrupted economic activities and triggered the emergence of new international alliances. This conflict is likely to have a lasting impact on the economic, social, and political landscape, intensifying uncertainty in the business environment.

Regional geopolitical dynamics

- Post-election riots persisted in Kenya, leading to internal political tensions, and worsening of the economic situation.
- In addition, terrorist activities perpetuated by Al-Shabaab and the Allied Democratic Forces (ADF) in Kenya and Uganda respectively, disrupted economic activities in the region.
- The unresolved conflict involving the M23 rebels in the Democratic Republic of the Congo (DRC), has escalated tensions between the DRC and the neighbouring countries. This situation has significantly affected trade along the DRC–Uganda border, leading to reduced economic activity in that region.

Key positive developments in the region

- Trade tensions among the East African countries have greatly reduced, with major borders now open.
- Uganda and Tanzania are in advanced stages in the exploration and exploitation of oil and gas. The construction of the oil pipeline is anticipated to commence soon, promising to further stimulate economic activities in the region.



2. OUR BUSINESS

The NSSF Risk Environment

In NSSF, just like in any other organisation, understanding and managing the dynamic risk environment is of paramount importance. The risk environment encompasses a mix of internal and external factors that could potentially impact our ability to achieve our objectives and goals. These factors can manifest as opportunities or threats, and their effective assessment and management are critical for ensuring the success and sustainability of our operations.

Our risk management philosophy

Our risk management approach and strategy are underpinned by the fact that risk management is an integral party of business strategy. At NSSF, every employee understands and embraces their responsibility for managing risk as an integral aspect of their daily activities. NSSF has continuously improved its risk management practices by incorporating an agile risk management culture through:

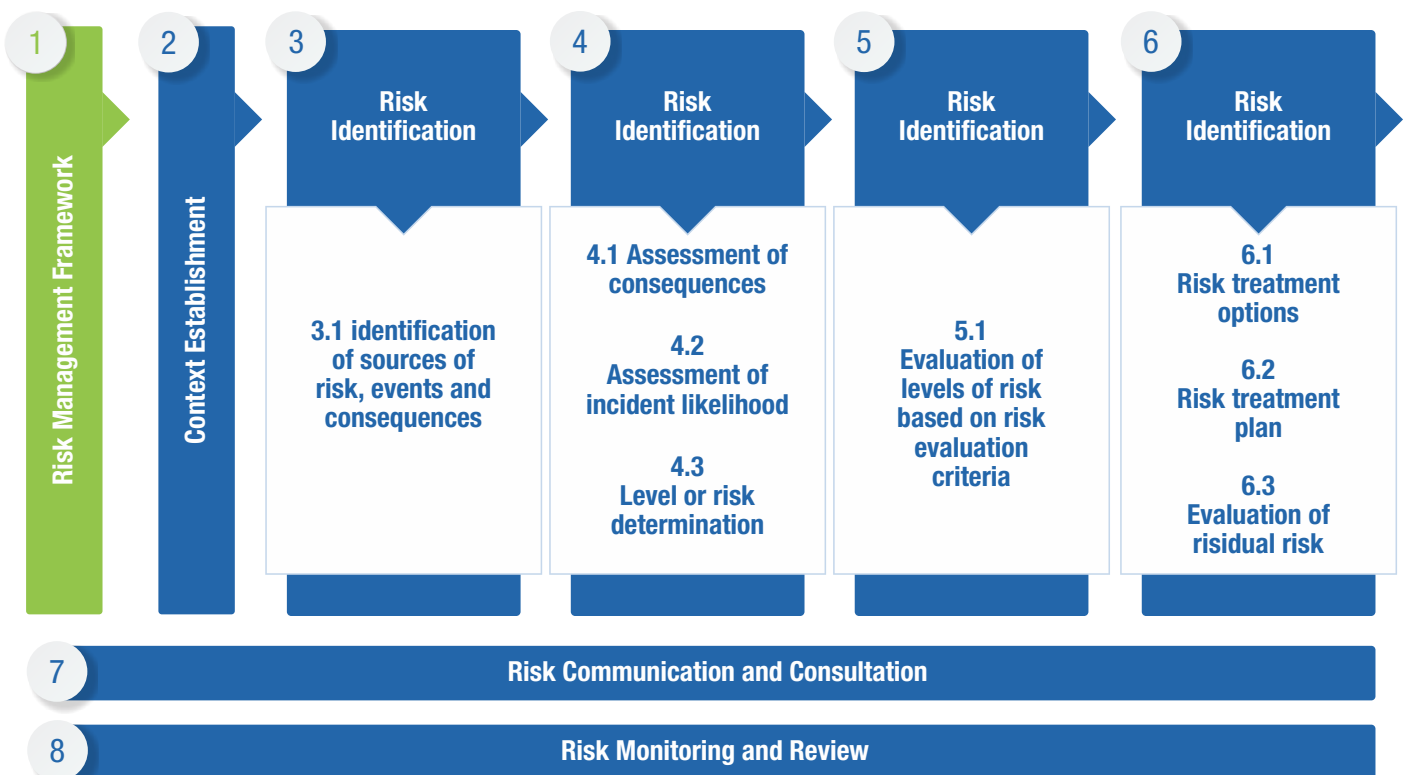
- **Conducting risk assessments for key projects before, during and after implementation**
- **Minimising third party risks by conducting detailed due diligence on suppliers, as well as performing know your customer assessments on new voluntary clients**
- **Continuous assessment of internal controls to ensure their adequacy and effectiveness**

At a strategic level, risk assessments are conducted on all key matters, with detailed risk reports highlighting the risks and mitigation measures shared with Management and the Board. The risk assessment reports are key in informing the relevant stakeholders of the risks associated with the matters under consideration, which enhances decisionmaking.

The risk structured process outlined below enables the Fund to effectively manage risks across different departments.



Our risk assessment process



Risk Governance

A well-defined risk reporting structure ensures that risks are communicated from the tactical level to the strategic level.

The Board receives quarterly updates on the key risks facing the Fund, along with relevant mitigation measures. The Board, through the Audit and Risk Assurance Committee (ARC), reviews the risks presented and directs management on how to address the risk exposures. It is a two-way (bottom-up and top-down) risk communication.

Board of Directors

The Board of Directors is responsible for the overall risk management strategy of the Fund, and executes this mandate by exercising oversight on enterprise risk management activities.

Audit and Risk Assurance Committee (ARC)

The role of ARC is to ensure the integrity of risk reporting, the effectiveness of internal controls with regards to the risk profile of NSSF, as well as policy and regulatory compliance.

The Committee scrutinises enterprise risk reports from Management and provides guidance on the appropriateness of the Fund's risk management response strategy.

Executive Committee (ExCo)

Management is charged with the responsibility for taking appropriate risk within the risk appetite framework approved by the Board to create value.

Numerous opportunities and risks exist in the environment, but we determine which risks and opportunities, and the extent thereof, we should take on to attain our strategic objectives.

Management is also responsible for ensuring that enterprise risk management is effective in addressing the risk profile of the Fund.

Risk Management Committee (RMC)

The RMC analyses the effectiveness of the enterprise risk management strategy and activities and provides guidance to the Chief Risk Officer on how risk exposures should be addressed.

Enterprise Risk Management (ERM) department

The ERM department plays a key role in coordinating the risk management process in the Fund and conducting risk awareness training and sensitisation fund wide.

Risk Owners

Risk owners are the staff who are directly accountable for ensuring risks are managed effectively, by implementing actions required to mitigate risks.

Combined assurance through the three lines of defence

In the Fund, the assurance activities are integrated based on the business model and risk appetite.

The 1st line of defence, which is operational management, is responsible for identifying risks and applying the relevant controls to detect and prevent materialisation of risks.

The 2nd line of defence (ERM) is responsible for risk policy development, co-ordination of risk management activities, promoting awareness and keeping executive management and the Board abreast of emerging risks and mitigation strategies.

The 3rd line of defence (Internal audit) follows a risk-based approach, which is informed by the risks identified and assessed by the ERM department, to provide assurance on the adequacy and effectiveness of the internal controls with regards to the risk profile of the Fund. External auditors review financial statements and provide an independent opinion on the integrity of the financial statements and the strength of the associated controls.

This process creates a holistic and strategic approach to risk management, reducing the negative effects of risk exposures, while increasing opportunities in the medium and long term for the benefit of stakeholders.



1st Line of Defence
Operational Management



2nd Line of Defence
Risk & Compliance



3rd Line of Defence
Internal Audit

2. OUR BUSINESS

Key risks in 2022/23, treatment, opportunities, trend and outlook

This subsequent section of the report provides a comprehensive overview of the potential risks faced by the NSSF, as well as risk analysis, mitigation strategies, and contingency planning.

Risks driven by global factors

1. Market Risk—Foreign Exchange

1 MARKET RISK – FOREIGN EXCHANGE

2021/22



2022/23



TREND



DESCRIPTION OF RISK AND FUND'S RESPONSE

The Fund's FY22/23 performance was significantly affected by foreign exchange risk, due to the appreciation of the UGX against the regional currencies, especially the Kenyan shilling.

NSSF invested UGX 583 billion in Kenya, where the KES/UGX exchange rate declined from 31.91 (30 June 2022) to 26.1 (30 June 2023).

The Fund is a long-term investor; hence our strategy is to respond to long-term movements driven by changes in the market fundamentals.

OPPORTUNITIES

There is an opportunity to acquire assets at low prices as soon as there are indications of economic stability in Kenya.

OUTLOOK

In the short run, the KES is expected to face challenges as the country seeks funding of USD 2bn Eurobond due June 2024.

KES is expected to recover in the medium term as the country stabilises.

CAPITAL IMPACTED



STAKEHOLDERS IMPACTED



MATERIAL MATTERS



STRATEGIC OBJECTIVES IMPACTED



2. Equity Risk (Market Risk)

2 EQUITY RISK

2021/22



2022/23



TREND



DESCRIPTION OF RISK AND FUND'S RESPONSE

The equity risk was rated high on account of volatility of the stocks, which resulted in a net unrealised loss of UGX 105.2Bn.

The equity risk management strategy is to maintain a relatively lower asset allocation to equity (12.5% – 20%) compared to fixed income (70% – 82.5%).

OPPORTUNITIES

There is an opportunity to acquire stock at a cheaper price for companies whose investment fundamentals are strong.

OUTLOOK

Uncertainty still looms over the timelines for the end of the Russia–Ukraine war, Kenya riots and terrorist activities, which implies the recovery may be slow.

The equity risk is likely to remain high on account of suspension of World Bank funding in Uganda, and political upheavals in Kenya.

CAPITAL IMPACTED



STAKEHOLDERS IMPACTED



MATERIAL MATTERS



STRATEGIC OBJECTIVES IMPACTED



Risk is increasing	Risk is reducing	Risk is stable	Low risk	Medium risk	High risk
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Risks driven by local factors

3. Information and Cyber Security Risk 3 INFORMATION & CYBER SECURITY RISK

2021/22	2022/23	TREND
DESCRIPTION OF RISK AND FUND'S RESPONSE There was an increase in cyber-attacks globally and locally, which heightened the risk of cyber-attacks. Secondly, the high level of automation in the Fund increases susceptibility to cyber-attack. A cyber-attack has a potential to paralyse the entire organisation. On a continuous basis, we monitor our systems to identify and resolve any vulnerabilities using the latest tools. In addition, we invest in continuous professional development in the field of cyber security.		OPPORTUNITIES The automation has improved customer experience and coverage. Now our members can access our services from any part of the world at any time.
		OUTLOOK Information security will remain a key risk in the short, medium, and long term, because the Fund will continue to automate its processes in order to create additional efficiencies.
CAPITAL IMPACTED 	STAKEHOLDERS IMPACTED 	MATERIAL MATTERS
		STRATEGIC OBJECTIVES IMPACTED

4. Reputation Risk 4 REPUTATION RISK

2021/22	2022/23	TREND
DESCRIPTION OF RISK AND FUND'S RESPONSE The image of the Fund was severely impacted following the negative press, which resulted from the parliamentary probe, Auditor General and Inspector General of Government (IGG) investigations. The positive media tonality significantly declined in February 2023, however, it improved towards the year end. The Fund took steps to address the issues raised by Parliament and the IGG, and developed and implemented a stakeholder engagement strategy.		OPPORTUNITIES Learnings from the investigations, for example transparent communication with stakeholders, are to be incorporated in the policies and procedures of the Fund to prevent re-occurrences of similar issues.
		OUTLOOK Stability is expected in the short run as Management and the Board focus on delivering value to members and other stakeholders.
CAPITAL IMPACTED 	STAKEHOLDERS IMPACTED 	MATERIAL MATTERS
		STRATEGIC OBJECTIVES IMPACTED

2. OUR BUSINESS

5. Governance Risk

5 GOVERNANCE RISK

2021/22



2022/23



TREND



DESCRIPTION OF RISK AND FUND'S RESPONSE

Governance risk was rated high on account of the absence of a substantive Managing director (MD), following the expiry of the contract of the former MD in December 2022, whose position had not been filled by the close of the FY 2022/23.

The Minister responsible for the NSSF directed the NSSF Board of directors to initiate the recruitment process of a new Managing Director.

OPPORTUNITIES

Appointment of a substantive Managing Director avoids potential effects of a leadership vacuum.

OUTLOOK

Once a substantive Managing Director is appointed, the governance risk will decline.

CAPITAL IMPACTED



STAKEHOLDERS IMPACTED



MATERIAL MATTERS



STRATEGIC OBJECTIVES IMPACTED



6. Compliance and Litigation Risk

6 COMPLIANCE & LITIGATION RISK

2021/22



2022/23



TREND



DESCRIPTION OF RISK AND FUND'S RESPONSE

Litigation is one of the key risks that the Fund is exposed to from time to time. Litigation exposes the Fund to financial loss and reputation damage.

The Fund regularly sensitises its employees on laws and regulation, especially those that relate to employee relations and contract management, to avoid breach, which can result in litigations.

OPPORTUNITIES

The Fund's image improves and stands to gain financially in cases it wins in courts of law and protects its image if it prevents litigation.

OUTLOOK

Litigations are likely to increase due to the increased mandate of the Fund.

However, the Fund will take steps to identify potential litigations and proactively address them.

CAPITAL IMPACTED



STAKEHOLDERS IMPACTED



MATERIAL MATTERS



STRATEGIC OBJECTIVES IMPACTED



7. Technology Failure and System Downtime Risk

7 TECHNOLOGY FAILURE & SYSTEM DOWNTIME RISK

2021/22 ●

2022/23 ●

TREND ↔

DESCRIPTION OF RISK AND FUND'S RESPONSE

High dependence on technology to deliver services increases the risk of technology failure, which affects service delivery and leads to customer dissatisfaction.

System uptime and functionality are key performance measures and are monitored on a regular basis.

OPPORTUNITIES

Technology is an enabler for efficient and convenient service delivery, which can give an organisation a competitive edge.

OUTLOOK

NSSF will continue the trend of innovation and systems will be tested and scenario analysis conducted to prevent technology failure.

CAPITAL IMPACTED



STAKEHOLDERS IMPACTED



MATERIAL MATTERS



STRATEGIC OBJECTIVES IMPACTED



8. Financial Crime Risk

8 FINANCIAL CRIME RISK

2021/22 ●

2022/23 ●

TREND ↔

DESCRIPTION OF RISK AND FUND'S RESPONSE

No major incidents of financial impropriety were reported in the financial year.

The Fund maintained and enhanced internal controls to prevent and/or detect potential financial crimes.

OPPORTUNITIES

The possibility of an escalation in financial crime gives us an opportunity to further strengthen our controls.

OUTLOOK

Financial crimes, especially fraud in benefit payments, is likely to increase due to increased NSSF coverage.

CAPITAL IMPACTED



STAKEHOLDERS IMPACTED



MATERIAL MATTERS



STRATEGIC OBJECTIVES IMPACTED



2. OUR BUSINESS

9. Limited Product Range

9 LIMITED PRODUCT RANGE RISK

2021/22



2022/23



TREND



DESCRIPTION OF RISK AND FUND'S RESPONSE

Limited product range, in terms of benefits to members, is still a big challenge for the Fund.

Current products do not cater for the short-term and medium term needs of members.

The Fund is in the final stages of obtaining approval for new products, especially in the voluntary space.

OPPORTUNITIES

New products are likely to increase membership, as NSSF strives to increase social security coverage, especially in the informal sector.

OUTLOOK

The Fund will roll out a number of products in the short and medium term, which will address the current challenge of a limited product range.

CAPITAL IMPACTED



STAKEHOLDERS IMPACTED



MATERIAL MATTERS



STRATEGIC OBJECTIVES IMPACTED



10. Taxation Risk

10 TAXATION

2021/22



2022/23



TREND



DESCRIPTION OF RISK AND FUND'S RESPONSE

Changes in tax rates or introduction of new taxes, especially on investments, affect the return we declare to our members.

However, no new taxes were introduced by government according to the 2022/23 national budget.

To minimise the impact of taxation, we undertake tax planning to take advantage of the opportunities within the tax laws.

OPPORTUNITIES

With careful tax planning, tax avoidance opportunities can be identified and exploited.

OUTLOOK

The tax landscape may undergo changes, resulting in the introduction of new taxes and/or increase in the existing tax rates.

CAPITAL IMPACTED



STAKEHOLDERS IMPACTED



MATERIAL MATTERS



STRATEGIC OBJECTIVES IMPACTED



11. Health/Safety and Operational Risk

11 HEALTH/SAFETY & OPERATIONAL RISK

2021/22	2022/23	TREND	
DESCRIPTION OF RISK AND FUND'S RESPONSE As the country was beginning to recover from Covid-19, there was an Ebola outbreak during Q2 of FY22/23 that spread to many parts of the country. In response, the Fund conducted online business in areas with high Ebola cases and created an emergency health response strategy to handle any potential infections, which protected the staff against contracting Ebola.		OPPORTUNITIES The outbreak of pandemics has enabled the Fund to test the resilience of its emergency strategies.	OUTLOOK The timing of pandemics is unpredictable. However, NSSF is now more prepared to deal with any future disease outbreak, given that our emergency strategies have been tested and proven to be effective.
CAPITAL IMPACTED 	STAKEHOLDERS IMPACTED 	MATERIAL MATTERS 	STRATEGIC OBJECTIVES IMPACTED

12. Liquidity Risk

12 LIQUIDITY RISK

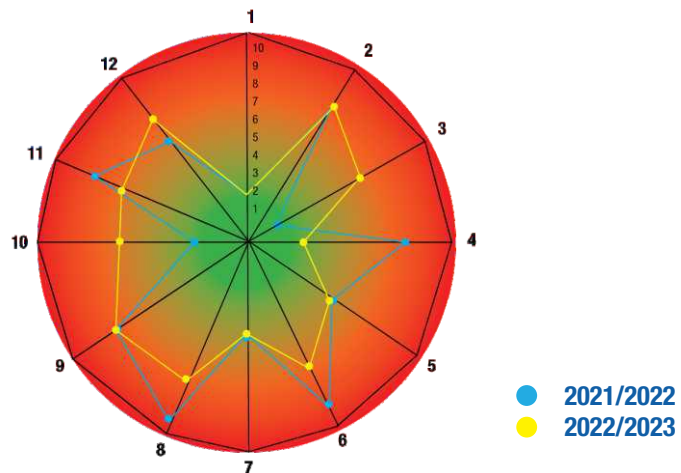
2021/22	2022/23	TREND	
DESCRIPTION OF RISK AND FUND'S RESPONSE Liquidity risk was rated low, despite an increase in benefits payout by UGX10bn (0.84%) over and above the previous year. The strong liquidity position was attributed to a significant increase in contribution collection of UGX 230Bn (15.5%) over and above the previous year. The Fund will continue to undertake regular cash flow forecasts and address any potential shortfalls in the liquidity requirement while undertaking investments to provide a reasonable return to members.		OPPORTUNITIES The payouts have increased member confidence and trust in the Fund, creating an opportunity for recruitment of new members, especially in the voluntary space.	OUTLOOK There is likely to be a slight liquidity squeeze due to major cash outflows after the declaration of interest to members. However, cash flow forecasts will be undertaken to identify potential cash shortfalls and address it proactively.
CAPITAL IMPACTED 	STAKEHOLDERS IMPACTED 	MATERIAL MATTERS 	STRATEGIC OBJECTIVES IMPACTED

2. OUR BUSINESS

Heatmap (Severity and trend): 2022–23

KEY

- 1 Liquidity Risk
- 2 Equity Risk
- 3 Taxation Risk
- 4 Reputation Risk
- 5 Financial Risk
- 6 Litigation Risk
- 7 Limited Product Risk
- 8 Foreign Exchange Risk
- 9 Information Security Risk
- 10 Health and Safety Risk
- 11 Governance Risk
- 12 Technology Failure



Broad Strategy for Addressing Emerging Risks

NSSF is cognisant of the fact that new risks emerge from time to time and has taken deliberate steps to ensure that it is able to respond to the risks appropriately, by putting in place the following strategies in areas of human resources, processes, systems, stakeholder management and governance.



Human resource competencies

Human resources are crucial for identifying, assessing, and mitigating emerging risks. The Fund, therefore, undertakes professional development of its staff to ensure they all have the necessary risk management competencies.

Robust processes

The design and operation of business processes are key determinants of efficient service delivery and increased productivity. The Fund regularly reviews and automates its processes to ensure that they are seamless, convenient, and user-friendly. Nearly all customer services are accessible online, offering convenience and flexibility to our members.

Resilient systems

To enhance the resilience of its systems, the Fund:

- Conducts simulations of various scenarios to test the recovery capability of the system in case of a major disaster. Like all previous tests, the recovery time for the disaster recovery test conducted in May 2023, showed an impressive improvement.
- Undertakes vulnerability assessments and penetration tests to identify potential soft targets for cyber criminals, and proactively addresses them.
- Acquires and implements state of the art/latest security tools to address emerging cyber threats.

Stakeholder management

The Fund has many categories of stakeholders, each category with varying interests, which in most cases are sources of risk to the Fund. To manage this risk, the Fund developed and implemented a comprehensive stakeholder engagement strategy. The strategy identifies the impact and influence of stakeholders to the Fund, and how the Fund should respond to the different stakeholders.

Environmental, Social and Governance (ESG) factors.

The Fund is cognisant of the ESG factors that can significantly impact its finances, operations and reputation. The issue of climate change for example, is taking centre stage in the global arena. Extreme weather conditions can cause food insecurity, heat waves, flooding, etc, which can affect employers' ability to meet their NSSF obligations.

Corporate activities can have significant negative impact on the community. In carrying out its business activities, the Fund ensures that potential negative effects on the community, as well as the environment, are minimised. For instance, the Fund undertakes environmental impact assessments before embarking on real estate development.

The Fund has established appropriate governance structures, including a board of directors, whose majority members are non-executive directors. The Fund is a member of the Governance council of the Institute of Corporate Governance and has participated in the corporate governance surveys conducted by the Institute, for which it has received a number of accolades.

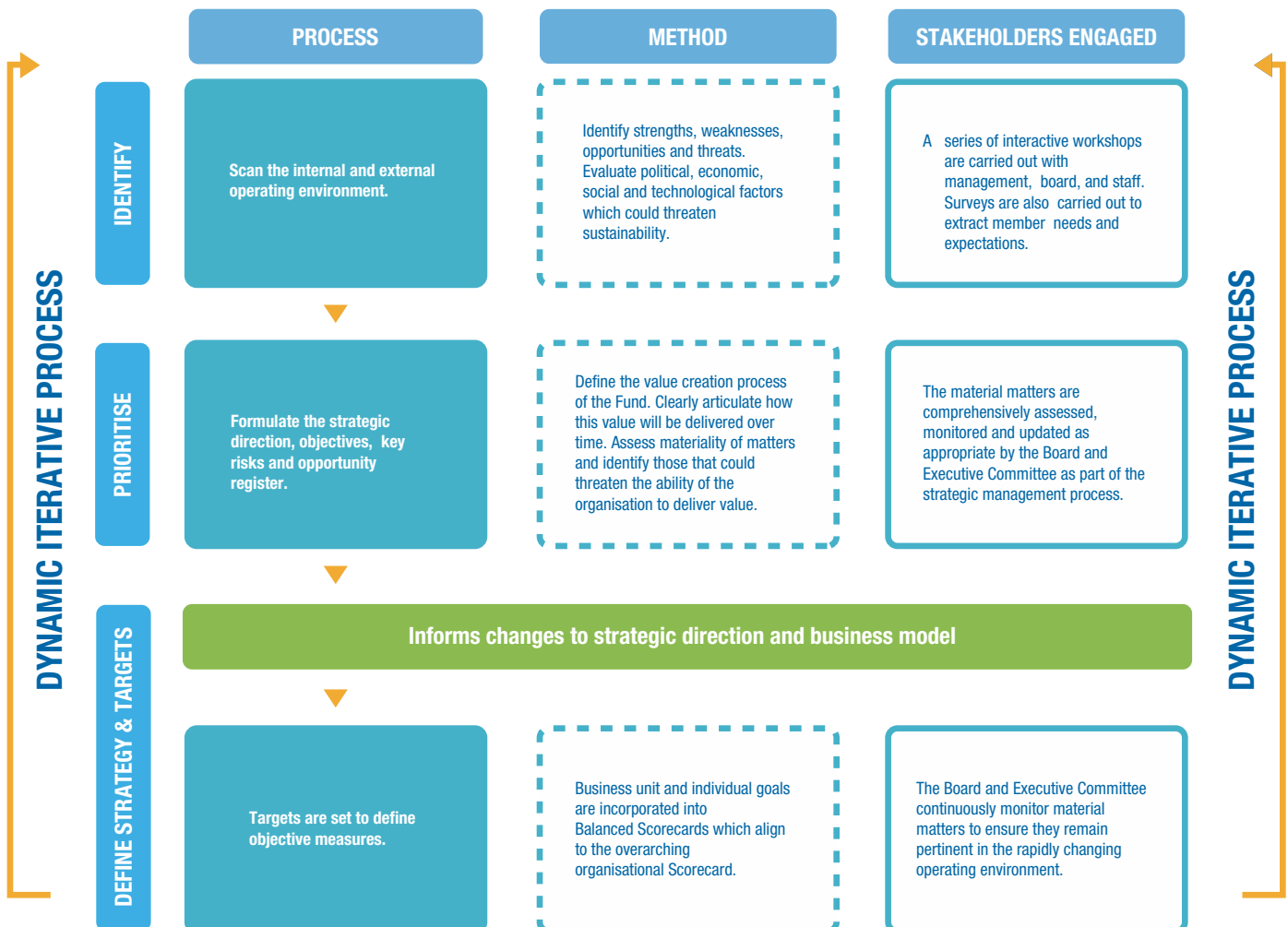
To embed ESG principles in the organisational culture, the Fund is in a process of developing an ESG policy and framework.

Material Matters

Material matters are those issues that could substantially affect our ability to create value in the short, medium and long term. These matters influence our strategy and how we manage our associated risks, as well as opportunities we explore as a result of these factors.



The process we follow to determine our Material Matters is as follows:



2. OUR BUSINESS

The outcomes of our materiality process resulted in the prioritisation of the following materiality themes:

Governance Challenges

Management and Board conflicts, appointment of a substantive Managing Director

The Fund has been subject to thorough investigations by government bodies, including the Parliamentary Committee, the Auditor General, and the Inspector General of Government (IGG). Our active cooperation reflects our commitment to transparency and accountability in maintaining high governance standards.



RISKS

Reputation Risk

- The image of the Fund was severely impacted following the negative press from the parliamentary probe, Auditor General and Inspector General of Government (IGG) investigations.

Governance Risk

- Management and Board conflicts that arose during the financial year.
- The continued absence of a substantive Managing Director creates a leadership vacuum at the Fund.

MIGRATION RESPONSE

Short Term

- Stability is expected in the short term as Management and the Board focus on delivering value to members and other stakeholders.
- The Fund is in the process of reviewing its policies and filling the position of the Managing Director

Long Term

- The Fund developed a response strategy to deal with all issues raised by various investigating bodies which will be integrated in our day-to-day operations. In addition, a stakeholder engagement strategy was developed and implemented.

OPPORTUNITIES AND IMPACT ON BUSINESS MODEL

- The insights derived from the investigations will be seamlessly incorporated into the Fund's policies and procedures, enabling a proactive approach to preventing the reoccurrence of similar issues.

TARGETS

- Execute the recommendations stemming from investigations, ensuring that they are fully embraced and implemented by all relevant stakeholders and responsible parties.

STRATEGIC OBJECTIVES



CAPITALS IMPACTED



Digital Acceleration

Our new Pension Administration System – IT infrastructure upgrade

The Fund implemented new robust core pension system in December 2021 to improve efficiencies, enable product innovation and create a seamless experience for our customers.



RISKS

Information and Cyber Security Risk

- With increased automation of our processes (registration, collection, claim initiation, etc.), there is a heightened risk of cyber-attacks with the expanded attack surface. In addition, as the asset base increases, the Fund becomes more attractive to potential attackers.

Technology Failure and System Downtime Risk

- The dependence on technology to deliver services increases the risk of technology failure as the Fund would be crippled by any interruptions in the network infrastructure or software application.

MIGRATION RESPONSE

Short Term

- On a continuous basis, we monitor our system to flag and resolve any system vulnerabilities using the latest monitoring tools.
- A mechanism has been developed to respond to system failure at short notice and system improvements will continue to enhance our members experience and satisfaction.

Long Term

- We invest in continuous professional development in the field of cyber security.
- The Fund will continue the trend of innovation and systems will be tested and scenario analysis conducted to prevent technological failure.

OPPORTUNITIES AND IMPACT ON BUSINESS MODEL

- The automation of processes has improved customer experience and coverage. Now our members can register from any part of the world at any time.
- New systems have improved our ability to serve customers across the world.

TARGETS

- ERP deployment will centralise data and decision-making.
- Integrate benefits application, contributions, registration, and member updates using third-party channels for convenience.
- A financial literacy chatbot will empower clients and a data warehouse will facilitate data-driven decisions.

STRATEGIC OBJECTIVES



CAPITALS IMPACTED



Regulatory Change

NSSF Act Amendments

The NSSF Amendment Act 2022 was passed into law in January 2022. The Fund is now mandated by law to provide social security services to all workers in formal and informal employment within the private sector. Under provisions of the NSSF Amendment Act 2022 anyone can now save with NSSF for their retirement.



RISKS

Liquidity Risk

- The increase in cash outflows due to an increase in benefits payouts are mainly driven by the midterm access.

Compliance and Litigation Risk

- Litigation cases relating to 1) employers' non remittance of NSSF contributions and 2) land ownership.

Limited Product Range

- Expanding our product range within the Fund continues to present a persistent challenge. Regulatory restrictions have hindered our ability to broaden our selection of products. As a result, we have faced limitations in enhancing our product offering.

MIGRATION RESPONSE

Short Term

- To ensure adequate liquidity, the Fund continues to make regular adjustments in strategic asset allocation which resulted in increased investment in fixed deposits at the expense of treasury bonds.
- The Fund conducts comprehensive due diligence before we purchase land, and we have adequate legal resources to defend the Fund's interest in any litigation.
- The Fund is in the final stages of obtaining approval for new products, especially in the voluntary space.

Long Term

- The Fund will continue to undertake regular cash flow forecasts and address any potential shortfalls in the liquidity requirement while ensuring a reasonable return to members.
- The Fund will roll out several products in the medium and long term in line with its purpose of helping members make savings a way of life.

OPPORTUNITIES AND IMPACT ON BUSINESS MODEL

- The payouts have increased the confidence and trust of members in the Fund, creating an opportunity for potential members once the voluntary products are rolled out.
- Sensitisation of all stakeholders will minimise non-compliance with regulatory and contractual obligations.
- New products are likely to increase membership as NSSF strives to make saving a part of the lives of more Ugandans, especially in the informal sector.

TARGETS

- Accelerate delivery of value-adding products: Insurance Partnerships, Unit Trusts, Wealth Management.
- Implement the new business model to deliver value-adding products/services.
- Rollout of Smart Life Savings Plan: Empowering voluntary savings.

STRATEGIC OBJECTIVES



CAPITALS IMPACTED



Global Economic Uncertainty

Slow economic growth and macro economic variables

The Russia-Ukraine conflict, initially perceived as short-lived by many, has grown into a global crisis, disrupting economies. Its far-reaching consequences are anticipated to leave a lasting impact on the economic, social, and political landscape, heightening business uncertainty. Post-election unrest in Kenya has prolonged, escalating internal political tensions and exacerbating economic challenges. Furthermore, terrorist activities expanded into Uganda and Kenya, causing fatalities and trade downturns.



RISKS

Equity Risk

- Equity price risk has escalated resulting from an exit of foreign investors due to their reduced confidence in emerging markets.

Foreign Exchange Risk

- The Fund was mainly affected by foreign exchange risk, due to the appreciation of the Uganda shilling against regional currencies, especially the Kenyan shilling.

MIGRATION RESPONSE

Short Term

- The Fund is a long-term investor; hence our strategy is not to respond to short term market movements.

Long Term

- Monitoring market variables and adjusting the portfolio mix to respond to the changing market environment.

OPPORTUNITIES AND IMPACT ON BUSINESS MODEL

- There is an opportunity to acquire stock at a cheap price for companies whose investment fundamentals are strong.
- There is an opportunity to acquire assets at low prices as soon as there are indications of economic stability in Kenya.

TARGETS

- Return on Investments 2% above inflation.
- Collections – UGX 1.9Tn.
- New members recruited – 160,000.

STRATEGIC OBJECTIVES



CAPITALS IMPACTED



INTEGRATED REPORT
3. OUR STRATEGY





OUR STRATEGY

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3. OUR STRATEGY

Introduction

“The Strategy Department is a facilitator of change at the Fund. Specifically, we aim to facilitate change in a manner that caters for sustainability, to enable the Fund to better manage uncertainty in both the near term and the long term.”



Mr. Alex Rumanyika
Head of Strategy and Performance



Strategic targets for 2025: Achieving balance and continuous improvement

The near-term issues confront challenges related to improving our business model. We collect savings from members, invest these savings, and return the accumulated lumpsum when the member qualifies. To achieve this effectively, we employ people, and we use process-driven physical and electronic channels. To manage these resources, we incur costs. This balancing act is expressed quantitatively as 95:1:95:20 – our strategic target for 2025. Specifically, we aim to achieve a staff engagement rating of 95%, which will help us optimise our processes to a point where we can pay a member's claim within 1 day. This positive experience will engender more customers to the Fund. We expect to achieve a customer satisfaction rate of 95% and drive the achievement of total assets to UGX 20Tn by 2025.

This is our strategy story; continuous improvement every day, using the balanced scorecard as an integral part of the sustainability agenda of the Fund.

Ensuring a relevant business model

But this is not sufficient in a fast-changing world. We continually question what trends we must be mindful of that could render the Fund irrelevant within the next 10 years? Businesses are evolving into full-time digital platforms at such a rate that brick-and-mortar is fast becoming an addition-to, rather than the main means of serving the customer. The majority of Uganda's population, around 78%, is below the age of 30 years. Most of these people are likely to be found in the informal economy, and unlikely to engage with the traditional business model. The Unemployment Rate* in Uganda is 4.28% and to this end, more people are turning to entrepreneurship as a mainstream source of livelihood. The entrepreneurs who are attuned to these trends will be winners in the coming decade.

Creating sustainable businesses

Our sustainability agenda therefore must protect the Fund against disruption from technology, customer, and regulatory trends. Our innovation programme is a complementary arm of our sustainability objective – crowd-sourcing problems, testing them quickly, and working with strategic partners to get them to scale.

So far, one major initiative has matured through this process – The Hi-Innovator.

It is a partnership with the Mastercard Foundation to identify, support, and scale promising start-ups – in the process creating sustainable businesses, jobs, and (most importantly) new members for the Fund.



Striving for sustained excellence: Navigating today and anticipating tomorrow

Sustainability must recognise the important things a business must do today to keep delivering value, while also looking at the emerging problems of tomorrow. These twin goals are difficult to synthesise and require disciplined approaches to validate and scale new propositions. To embed discipline in this process, the Fund established a Results Management Office (RMO) whose responsibility is to inculcate best practices in project and change management to maximise the benefits realised from our strategic initiatives.

In summary, we aim to adopt a sustainable business strategy – incorporating environmental, and social factors into the Fund's policies, practices, and processes to create long-term benefits for our members, society, and our people – Shared Value!!

*UBOS – Uganda Bureau of Statistics – December 2022

3. OUR STRATEGY

Strategy @ a Glance

Our FY2025 Strategy commenced in 2015 and remains relevant in our operating context, despite uncertainties in the external environment. The illustration below depicts an overview of our FY2025 Strategy.

Key risks impacting achievement of strategy

- 1** MARKET RISK – FOREIGN EXCHANGE
The Fund's revenue stream is at risk due to regional market volatility and currency fluctuations, leading to unrealised losses resulting from the appreciation of the Ugandan shilling against the Kenyan shilling.
- 4** REPUTATION RISK
Ongoing investigations have created a reputational risk, impacting internal processes, staff, and member services.
- 6** COMPLIANCE & LITIGATION RISK
The increasing number of cases being filed against the Fund poses a potential risk to its operations and reputation.
- 7** TECHNOLOGY FAILURE & SYSTEM DOWNTIME RISK
The instability of the core system presents a risk as most of the functionality remains unoptimised, hindering the realisation of the full benefits of OctoPAS.
- 9** LIMITED PRODUCT RANGE RISK
The Fund faces the risk of potential missed opportunities to provide additional value to members due to the absence of drafted regulations.

Measured through defined Key Performance Indicators to track performance included in the organisation's Balanced Scorecard and cascading to employee scorecards.

Reward and remuneration is linked to both individual and business performance.

Integrating ESG into our FY 2025 Strategy

Good corporate governance is implemented in an integrated manner, promoting an ethical culture, good performance, effective control and legitimacy

Our Core Purpose

Our purpose is to make lives better. We passionately dedicate ourselves to making saving a way of life, to enable more and more people improve their well-being

Our Vision

To be the social security provider of choice

Our core purpose and vision guide our strategic direction and remind us of why we exist for long-term sustainable value creation

Our Aspirations – Underpinned by Digital Innovation

PROVIDING WORLD CLASS SERVICE TO OUR MEMBERS
Achieve a customer satisfaction rate of 95%

→

ACHIEVING COMPETITIVE RETURNS
Achieve a Fund Asset size of UGX 20Tn Underpinned by digital innovation

→

INCREASING EFFICIENCIES TO IMPROVE SERVICE DELIVERY
Pay members who claim within 24 hours

→

BECOMING THE EMPLOYER OF CHOICE
Achieve a staff satisfaction rate of 95%

Our aspirations illustrate the four pillars that underpin our strategy and what we aim to achieve by the end of FY 2025. Our digital innovation strategy is key to remaining relevant and supports the achievement of our measurable objectives. Our purpose of making lives better propels us to create, protect and enable sustained value for our members, stakeholders, and society so as to secure our long-term success.

Unlocking Sustained Value through ESG Considerations

CREATE VALUE
Through initiatives to address sustainability challenges (SDGs)

→

PROTECT VALUE
By mitigating social, environmental and governance risks

→

ENABLE VALUE
Through partnerships and stakeholder engagement

Our commitment to create, protect and enable value is demonstrated through our support of ESG imperatives and our strong stakeholder relations

Our Values

INNOVATION

→

CUSTOMER CENTRIC

→

EFFICIENCY

→

INTEGRITY

→

TEAMWORK

Our values form the foundation of our commitment on how we engage internally and externally with our stakeholders and support integrated thinking across our operations

Our Environmental, Social and Economic Sustainability Drivers

CUSTOMER SATISFACTION

→

SOCIAL RESPONSIBILITY

→

FINANCIAL RESILIENCE

→

INCLUSIVITY

→

ENVIRONMENTAL PROTECTION

Our sustainability drivers are embedded in our strategy and are focused on ensuring sustainability for our business, our customers, communities, society, the economy and the environment

Our Stakeholders

CUSTOMERS

→

COMMUNITIES

→

EMPLOYEES

→

REGULATORS & POLICYMAKERS

→

INDUSTRY ASSOCIATIONS

Our stakeholders are integral to our business and play a vital role in enabling us to create a stronger legacy in our promise to make lives better now and for generations to come. Our stakeholder conversations shape how we define and execute our strategy to include materiality, new business opportunities and sustainable development

3. OUR STRATEGY

Highlights 2023



Providing world-class service to our members

- 88% client satisfaction
- Implementing a new whistleblower platform to enhance transparency and accountability within the organisation
- Streamlining the benefits claim initiation process through Straight-Through Processing (STP) to ensure a seamless experience for claimants
- Educating claimants about the benefits of unit trusts through financial literacy campaigns to empower them to make informed investment decisions



Achieving competitive returns and sustainable growth

- Total assets of UGX 18.56Tn against a target of UGX 18.98Tn
- Fund Size grew by 7.6% from UGX 17.25Tn in 2022 to UGX 18.56Tn
- Realised Income growth of 15.9% from UGX 1.906Tn to UGX 2.210Tn
- Cost efficiency 1.03% (2022: 1.18%)
- Creation of employment opportunities through the Hi-Innovator Programme
- The Fund continues to invest in ESG-compliant companies



Increasing efficiencies to improve service delivery

- OctoPAS implementation progressing steadily, achieving the Compliance and Legal module milestone, with upcoming on-site training and Go-Live scheduled for early next financial year
- The Fund introduced Smart Life, a member-focused savings product, making noteworthy progress despite pending regulatory approvals
- Members' growing preference for digital claim initiation and management is evident with 13.67% adoption rate, showcasing the Fund's successful digital initiatives and enhanced member convenience
- 93% of member transactions were completed digitally



Becoming the employer of choice

- Staff satisfaction score of 86%
- Implementing change management strategies to prepare staff for the future, including transparent communication, training, employee involvement, and celebrating successes
- Continued investment in employee health and wellbeing
- Introducing a pioneering mentoring programme that fosters professional development among all employees has helped us nurture talent and empower staff to thrive in their careers
- Launching a specialised Women's Development Programme which highlights our commitment to gender equality and women empowerment

Reflection on strategy for the period under review

As we enter the ninth year of executing our 10-year strategy, we take great pride in the milestones achieved and the unwavering commitment to our core objectives. Our strategy continues to centre around four primary goals, which serve as the bedrock of our success:

1. Achieve a customer satisfaction rate of 95%
2. Achieve a Fund Asset size of UGX 20Tn
3. Pay members who claim within 1 day
4. Achieve a staff satisfaction rate of 95%

We recognise our broader responsibility to society and the environment. As a socially responsible organisation, we have taken proactive steps to integrate sustainability drivers within our strategy. Aligning with the United Nations Sustainable Development Goals (SDGs), we have prioritised initiatives that seek to make a positive environmental and social impact.

In line with our commitment to Environmental, Social, and Governance (ESG) practices, we strive to go beyond mere financial gains. We envision a future where our Fund plays a pivotal role in driving positive change, nurturing a sustainable ecosystem for generations to come.

Looking ahead, we remain confident that our business is well positioned to continue delivering strong performance in both the medium and long term. Our continued focus on innovation, customer-centricity, and sustainable practices positions us at the forefront of the industry.

None of these accomplishments would have been possible without the unwavering support of our stakeholders, valued members, dedicated staff, and visionary leadership.

As we venture into the final two years of our 10-year strategy, we remain steadfast in our commitment to excellence, sustainability, and responsible growth. Together, we are building a brighter future for our members, our community, and the world at large.

Highlights for the year

In the last financial year, the Fund made significant strides towards its long-term goals, exemplifying dedication, innovation, and empowerment. It focused on delivering value-adding products and services, streamlining processes, and forging strategic partnerships. By adopting a client-centric approach and adhering to regulatory compliance, the Fund laid the foundation for continued growth and positive impact on the financial landscape.

One of the major achievements was the establishment of the Debt Recovery Unit, strengthening compliance efforts and providing crucial support to the Legal Department. Compliance improved to 57%, surpassing the target of 52%, showcasing the unit's effectiveness in upholding financial integrity and resolving outstanding debts.

The Fund's commitment to responsible investing continued with a focus on ESG-compliant companies, aligning its portfolio with ethical principles and contributing to sustainable global development. Additionally, the Fund initiated the Hi-Innovator programme, with the aim of providing seed funding for up to 500 start-ups and creating 132,000 jobs by 2025. This programme also provided foundational business knowledge to the public, empowering aspiring entrepreneurs with essential skills and insights.

Furthermore, the Fund implemented strategic initiatives to enhance its workforce, such as the Pathfinder Mentoring Programme and the Pathfinder Catalyst Academy. These initiatives empowered employees with professional development opportunities, fostering a culture of continuous learning, and promoting gender equality and women empowerment.



3. OUR STRATEGY

Progress on Aspirations

The 2025 strategy is anchored on four pillars which denotes our long-term aspirations. Progress against each of our aspirations for the reporting period and outlook ahead is illustrated below:

Providing world-class service to our members

Delighting Our Members – Customer Satisfaction



2021/2022	2022/2023	2023/2024	2025
Target: 85% Achieved: 82%	Target: 85% Achieved: 88%	Target: 90%	Target: 95%

Key initiatives/activities to achieve targets.

Develop and implement a new business model for the Fund. It will be underpinned by:

- Market segmentation
- Utilising data analytics
- Leveraging on strategic partnerships
- Product innovation
- Customer growth
- Customer centricity

Sustainable growth will be achieved by:

- Focusing on a robust content-driven Financial Literacy programme to enable impactful reach across Fund segments through Digital means
- Implementing Business Development Services (non-financial services and products offered to entrepreneurs at various stages of their business needs) through the Hi-Innovator Academy
- Continuing to support job creation through our Hi-Innovator programme

What we did to deliver value during 2022/2023 to achieve our long-term aspirations

- Whistleblower Platform Deployment: In December 2022, we successfully deployed a new whistleblower platform, empowering individuals to report concerns and grievances anonymously
- Benefits Claim Digitalisation: We streamlined the benefits claim initiation process and digitised the claim form through Straight-Through Processing (STP) to provide a seamless experience for claimants
- Employer Auto-Registration: A dedicated business development unit facilitated the mass auto-registration of employers. We reconciled data with the Uganda Revenue Authority, creating a centralised query resolution and feedback platform for employers
- Partnerships and Expansion: We actively used existing partnerships and embraced new ones, aiming to explore new business opportunities, such as collaborations with SACCOs, investment clubs, and trade unions
- Financial Literacy Campaigns: Through financial literacy campaigns, we educated claimants about the benefits of unit trusts, enabling them to make informed investment decisions

Outlook for the year ahead

As we strive to maintain a competitive edge in the market, our focus will be on accelerating the delivery of value-adding products and services to our clients. Three key areas that present significant growth opportunities are insurance partnerships, trusts, and wealth management.

We will continue implementing our new business model, characterised by streamlined processes, innovative technologies, and a client-centric approach. Our objective is to launch the Smart Life Savings Plan, designed to empower individuals with a powerful value proposition for voluntary savings.

Achieving competitive returns and sustainable growth

Sustainable Growth – Value Creation for Long-term Sustainability 			
2021/2022 Target UGX 17.19Tn Achieved: UGX 17.25Tn	2022/2023 Target UGX 18.98Tn Achieved: UGX 18.56Tn	2023/2024 Projected UGX 21.09Tn	2025 Target UGX 20Tn

Key initiatives/activities to achieve targets.

1. Continuous review and adjustment of our strategic asset allocation given the changes in our operating environment
2. Formalisation of a Debt Recovery Unit to help enforce compliance and support the Legal Department during recoveries
3. Create new revenue sources, including:
 - Setting up a Unit Trust to cater for short-term products
 - Trading machine-readable data with partner agencies for the benefit of our members
 - Offering payroll management services and Fund Management services using OctoPAS)

What we did to deliver value during FY 2022/2023 to achieve our long-term aspirations

Hi-Innovator Programme

In line with its commitment to national development, NSSF seeks to grow its membership by supporting small and growing businesses. By providing assistance and resources to these businesses, NSSF aims to catalyse their growth and create new economic opportunities for Uganda.

Our achievements to date are as follows:

- 265 businesses have been provided with seed capital of up to USD 20,000
- 60% (160 businesses) are women-led start-ups
- 55,957 direct and indirect jobs have been created
- Over 14,900 entrepreneurs were provided with foundational business knowledge through the Hi-Innovator Academy

Investing responsibly

The Fund remains committed to responsible and sustainable investing in ESG-compliant companies. By investing in environmentally, socially, and governance-conscious enterprises, we not only align our portfolio with ethical principles but also contribute to the greater good of the global community. This strategy not only safeguards our investments against potential risks but also empowers us to create a positive impact on the environment and society at large.

Outlook for the year ahead

Our focus will be on implementing key actions that align with our growth and development objectives. These priority actions are aimed at fostering partnerships, optimising registration processes, enhancing asset allocation strategies, and addressing challenges in real estate development. Together, these initiatives will pave the way for a more successful and resilient future.

- **Partnerships for Mass Registration:** Collaborating with key stakeholders, such as the Uganda Revenue Authority (URA) and the Private Sector Foundation Uganda (PSFU), will be a top priority to enable the streamlining of the mass registration process, making it accessible to a broader audience

- **Industrial Parks Registration Drive:** We plan to conduct a focused registration campaign within industrial parks, engaging businesses to broaden our client base and provide customised financial solutions that foster their expansion and progress
- **Enhancing Asset Allocation:** In response to market volatility, we will continue to review our strategic asset allocation. Our focus will be on incorporating more "alternative assets" into our portfolio to mitigate risks and enhance returns for our members
- **Priority Delivery of the Unit Trust Model:** We will prioritise implementation of a unit trust to offer our clients a diversified investment option, fostering greater financial security
- **Addressing Real Estate Development Challenges:** Collaborating with government bodies, we will tackle challenges hindering real estate development to unlock growth potential in the real estate sector
- **Hi-Innovator programme:** We will explore new partnerships to establish a more sustainable model for the Hi-Innovator programme

3. OUR STRATEGY

Increasing efficiencies to improve service delivery

Operational Excellence – Turnaround Time for Payout of Members' Benefits



2021/2022	2022/2023	2023/2024	2025
Target: 7 days Achieved: 12.3 days	Target: 9 days Achieved: 11.9 days	4 days	24 hours

Key initiatives/activities to achieve targets.

- Automation of all core business processes
- Improved biometric association using a cross-reference to the NIRA database
- Full deployment of the OctoPAS and supporting digital infrastructure to enable straight-through processing of claims
- Product development – establish a single process and pipeline for onboarding new product(s) to the market

What we did to deliver value during 2022/2023 to achieve our long-term aspirations

Pension Administration System (OctoPAS) Implementation:

The implementation of OctoPAS has been making steady progress with final migration and Go-Live planned for early next financial year 2023/24

Smart Life Targeted Savings Product:

Smart Life is a targeted savings product which includes key features such as registration/ enrolment, contributions through multiple channels (mobile money, banks, and Visa payments), interest calculation, payment of benefits, and financial reporting through ERP. The final deployment and Go-Live of Smart Life will occur after obtaining the necessary regulatory approvals and gazetting of associated regulations

Claim Processing Efficiency:

To evaluate claim processing efficiency, the Fund closely monitors the turnaround time (TAT) metric, measuring the average time taken to process claims


Outlook for the year ahead

Our focus for the year ahead will be dedicated to re-engineering and enhancing the benefits process in support of achieving our strategic objective of paying benefits within 1 day.

Priority actions include:

- Enhancing efficiency and customer experience through integrating the benefits application, contributions, registration, and member updates using third-party channels for convenience
- Group channel development will target distinct client segments, while real-time channel feedback will enable swift customer communication and automation will enhance back-office processes, contributions, and contract management
- ERP deployment will centralise data and decision-making. Virtual customer service agents and language-based support will improve customer interactions
- A financial literacy chatbot will empower clients, and a data warehouse will facilitate data-driven decisions

Becoming the employer of choice

Employer of choice – Staff Satisfaction 			
2021/2022 Target: 90% Achieved: 92%	2022/2023 Target: 90% Achieved: 86%	2023/2024 95%	2025 95%

Key initiatives/activities to achieve targets.

- Straight through processes – turnaround time for our core people processes such as onboarding
- Organisational redesign – operationalise the new Fund structure without adversely affecting our business
- Diversity, equity, and inclusion – establish a Mentorship Programme at the Fund led by senior female leaders

What we did to deliver value during 2022/2023 to achieve our long-term aspirations

During the year, the fund underwent significant changes with the introduction of a new business model and a new structure.

- The succession plan for Exco and Exco-1 positions was reviewed to ensure leadership stability
- Change management strategies were implemented to prepare staff for the future, including transparent communication, training, employee involvement, and celebrating successes
- During the year, the Fund introduced two groundbreaking initiatives to empower and nurture employees:
 - **Pathfinder Mentoring Programme:** This pioneering programme aims to foster professional development among all employees, encouraging a culture of continuous learning. By harnessing the collective wisdom and potential within our workforce, the Pathfinder Mentoring Programme seeks to unlock the full potential of everyone, enabling them to thrive in their careers
 - **Pathfinder Catalyst Academy:** In line with our commitment to gender equality and women empowerment, we launched the Pathfinder Catalyst Academy. This programme is designed to empower female staff, providing them with the tools and knowledge to take control of their careers, boost assertiveness, and increase confidence

Outlook for the year ahead

- Improving staff innovation and productivity: One of our top priorities is to enhance innovation and productivity among our staff. To achieve this, we will implement agile methodologies, fostering a dynamic and adaptive work environment
- Initiatives to continuously motivate staff: We will introduce initiatives to motivate and engage our staff, empowering them to perform at their best


3. OUR STRATEGY

Performance Against Strategy


Our reward and incentive structures are directly linked to both individual and business performance. The tables below illustrate how we performed against key metrics to measure performance.

The overall CSI score has risen to 88%, indicating a significant improvement. This increase can be largely attributed to a higher satisfaction level with the Fund's Products within the overall CSI assessment. However, there has been a slight decline in the Brand's image compared to the previous year. This is notably reflected in the brand equity index, which now stands at 71% from 74% the previous year. The decline in brand equity is primarily driven by a decrease in brand engagement, which has seen an 11% decline. This is primarily linked to how members perceive the brand.


Target Exceeded	↑
Target Achieved	●
Below Target	●
New measure	○

 Providing world-class service to our members						Weighting 30%
Objectives	Key Measures	Target	2021	2022	2023	Outlook for the year ahead 2023/2024 Target
Improve customer satisfaction	Customer satisfaction index score	85%	86%	82%	88% ↑	95%
Improve brand image	Tonality score	80%	83%	95%	79% ●	90%
	Brand Health Survey Rating	75%	71%	74%	71% ●	75%


Our total assets grew to UGX 18.56Tn, which was 2.3% mainly due to heightened market volatility, particularly impacting the performance of our Equity Portfolio. An additional contributing factor was the performance of the Kenyan shilling in relation to the US Dollar. This dynamic created a notable impact on our overall return on investment for the duration of the fiscal year.

 Achieving competitive returns and sustainable growth						Weighting 30%
Objectives	Key Measures	Target	2021	2022	2023	Outlook for the year ahead 2023/2024 Target
Increase contributions	Average Monthly Contribution Collections	135Bn	114Bn	125Bn	144Bn ↑	160Bn
	1 Month Employer Compliance rate	52%	51%	55%	57% ↑	60%
Increase income earned	Gross Target return on investment	11.52%	15.91%	11.52%	8.11% ●	11.52%
Improve cost efficiency	Expense ratio	1.16%	1.06%	1.18%	1.03% ↑	1.08%

For more than a year now, aided by the NSSF Act amendment, the Fund has had the capability to develop and pay new types of benefits as specified in ILO convention 102. However, the regulatory framework pertaining to some facets of the revised Act is yet to be finalised by Parliament. A definitive action plan has been formulated and we believe that by harnessing advanced operational methods and cutting-edge technology (supported by our core system OctoPAS) in conjunction with a robust branch network, once the regulatory framework of the Act is finalised by Parliament, we shall be able roll out several new products to our members.

 Increasing efficiencies to improve service delivery						Weighting 20%
Objectives	Key Measures	Target	2021	2022	2023	Outlook for the year ahead 2023/2024 Target
Improve data quality	Data Quality Index	100%	98%	101%	100% ●	100%
Improve service delivery	Benefits processing turnaround time, days	9 days	8 days	12.3 days	11.9 days ●	7 days
Improve governance, compliance risk mgt	Governance and Compliance Index	100%	100%	100%	100% ●	100%
Increase value-added products and services	Number of new products and services	2	0	2	1 ●	The focus will be on ensuring that all regulations for the NSSF Act are finalised to provide a framework through which new voluntary products will be delivered to our members
	uptake of new product/ service	30%	10.5%	100	0% ●	
Enhance technology impact	% completion of milestones for the deployment of the new Pensions Administration System	100%	92%	96%	70% ●	Full deployment of supporting digital infrastructure

Even though we saw a reduction in our staff satisfaction index, the Fund remains committed to future readiness by offering ongoing training and development for employees to adapt to evolving needs and technological advancements. Employee engagement and wellbeing remain priorities, with assistance programmes and mental health support to tackle emerging risks. Diversity and inclusion initiatives will be fortified to align with societal shifts, aided by addressing unconscious biases in HR processes.

 Achieving competitive returns and sustainable growth						Weighting 20%
Objectives	Key Measures	Target	2021	2022	2023	Outlook for the year ahead 2023/2024 Target
Enhance performance culture	Staff satisfaction & engagement index	90%	94%	92%	86% ●	95%
Enhance talent management	Talent Development and Management Index Score	85%	92%	92%	97% ↑	95%

3. OUR STRATEGY

Stakeholder Engagement and Value Creation

Understanding our stakeholder needs and expectations

We can only achieve our purpose by working together with our stakeholders to understand their needs and expectations. We actively involve all our stakeholders, who have different interests, in an ongoing process of collaboration. Our goal is to create solutions that improve the quality of life for everyone working in the private sector, including non-government organisations. We aim to provide a safety net against life's uncertainties by offering comprehensive social security services.

Moreover, we acknowledge our role as a responsible corporate citizen, striving to create sustainable value for our members, stakeholders, and society as a whole. We are dedicated to implementing practices that focus on environmental, social, and governance (ESG) principles, aiming to ensure our long-term success.



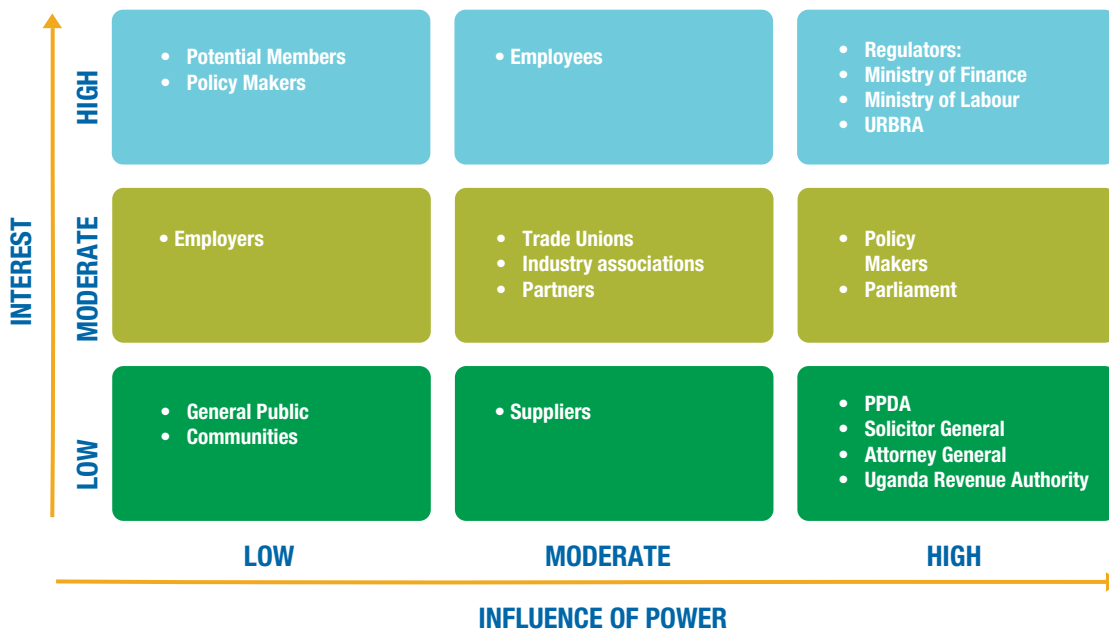
The Fund also actively engages with these stakeholder groups to gain insights into their needs, and perspectives, and to share information about our strategy, practices, and performance. Our reputation depends on and is also influenced by stakeholder perceptions, which in return affects our performance. We have a shared responsibility to engage with stakeholders across all aspects of our Fund's operations and functions, utilising various communication channels.

Our stakeholders include oversight bodies, other government entities, trade unions, media, professional associations, specific individuals, service providers, members, as well as the Fund's management and staff.

Stakeholder management and governance

A Board-approved Stakeholder Engagement/Management Policy guides stakeholder management and governance, in line with the Fund's overall business objectives. The Board, through the Staff and Corporate Affairs Committee, has the ultimate responsibility for our stakeholder engagement.

Stakeholder Influence and interest matrix



Quality of stakeholder relationships

We measure the quality of stakeholder relationships through defined metrics to monitor satisfaction levels on an ongoing basis. Overall, for the period under review, we believe that through focused engagement with our stakeholders, we have maintained healthy and mutually rewarding relationships.

Below, we demonstrate our commitment, engagement, and quality of our relationships with key stakeholders through the value we have delivered.



MEETING EXPECTATIONS



FALLING SHORT OF EXPECTATIONS

Customers (our members and potential members)



NEEDS AND EXPECTATIONS

- Excellent customer service and advice
- Timely turnaround times for payout of benefits
- Competitive return on savings
- Support beyond retirement
- Efficient and convenient engagement channels
- Products to meet long-term and short-term savings needs

PERFORMANCE MEASURES/VALUE DELIVERED

- Customer satisfaction index 88% (2022: 82%)
- Turnaround time for payment of benefits 11.9 days (2022:12 days)
- Seed funded 147 women entrepreneur small and growing business with USD20,000 each, so far creating and sustaining 1,700 direct jobs and 37,000 indirect jobs
- Designed and tested solutions to support voluntary savings products rollout

RISKS

- Inability to engage and educate members and the public on opportunities to save as per the NSSF Amendment Act 2022
- Inability to meet short-term and long-term savings needs

STRATEGIC RESPONSE TO DELIVER VALUE

- Ongoing customer surveys to measure performance and identify areas of improvement
- Further refinement of core systems to improve turnaround times
- Building strong relationships through engagement channels, and partnerships
- Supporting members beyond retirement through financial literacy and support for entrepreneurs
- Campaigns to increase awareness, compliance and saving

OPPORTUNITIES AND OUTLOOK

- Develop and deepen the concept for KYC and 360-degree view of our members
- Implement Voice of the Customer Led Designs and continuously improve our processes, systems and channels to improve turnaround times
- Rollout convenient products and services to increase coverage

QUALITY OF RELATIONSHIP



Employees (our staff)



NEEDS AND EXPECTATIONS

- Recognition, reward and benefits
- Diversity and inclusion
- Employment security, safety and wellbeing
- Growth, learning and development opportunities
- Provide enabling tools
- Improved communication and engagement

PERFORMANCE MEASURES/VALUE DELIVERED

- Employee satisfaction score 86% (2022: 92%)
- Filled out the Pathfinder Catalyst Academy and graduated 30 female staff
- Holistic health and wellness programme for staff and their families
- Board, management and CEO quarterly engagements with staff
- Implemented policies on human rights, equal opportunities, labour conditions, ethical conduct, and environmental protection in the workplace to include 51 women acquired new jobs out of the 116 available and we conducted work and safety training
- Completed organisational restructuring aimed at aligning the Fund to our new business model

RISKS

- Inability to attract, retain and motivate staff could impact negatively on service delivery, thereby leading to negative reputation

STRATEGIC RESPONSE TO DELIVER VALUE

- Ongoing employee surveys to measure engagement and identify areas of improvement
- Continue to create a work environment for employees to thrive
- Implement training, development and growth opportunities like the Pathfinder Catalyst Academy
- Continue implementing reward and recognition best practices

OPPORTUNITIES AND OUTLOOK

- Promote and grow the Pathfinder Catalyst Academy to achieve 40:60 gender ratio by 2030, ensuring that women occupy at least 40% of managerial positions
- Increase staff satisfaction
- Improve our talent development and management practices
- Continue improvements in celebrating diversity and collaboration among employees from various backgrounds

QUALITY OF RELATIONSHIP



3. OUR STRATEGY

Regulators and Government



NEEDS AND EXPECTATIONS

- Good performance against our long-term strategy and outlook
- Ensure quality of management
- Profitability, growth potential and a good annual interest
- Ensure code of conduct and regulatory compliance
- ESG considerations
- Implement policy, advocacy, technical input and information sharing
- Creation of sustained value for the Fund's stakeholders and members

PERFORMANCE MEASURES/VALUE DELIVERED

- Liaised openly and constructively with various regulators, including conducting ongoing discussions in support of our corporate governance and operations strategy
- Continued to design solutions contributing to expanding social security coverage and enriching the range of benefits available to savers
- Realigned the Fund's organisational structure to take advantage of the opportunities presented by NSSF (Amendment) Act 2022
- Support realisation of ESG good practice and prioritised SDGs
- Continued discussions and engagements with PPDA, URA and URBRA, as applicable, on issues of investment, procurement, taxes, and policy

RISKS

- Lack of awareness of the legal and regulatory changes leading to an inability to meet regulatory requirements, compliance, and potential damage to reputation

STRATEGIC RESPONSE TO DELIVER VALUE

- Engagement with regulators on key themes relating to regulatory compliance such as the NSSF Amendment Act 2022, PPDA and URBRA
- Promotion and implementation of Good corporate governance
- Good business sustainability and stakeholder management

OPPORTUNITIES AND OUTLOOK

- Work with Ministry of Gender and Labour to expand awareness and coverage of social security as per the NSSF Amendment Act 2022
- Constantly monitor, evaluate and audit our corporate governance practices, legal and regulatory requirements

QUALITY OF RELATIONSHIP



Suppliers



NEEDS AND EXPECTATIONS

- Ensure responsible purchasing
- Support local suppliers
- Ensure prompt payment schedules
- Act ethically and transparently
- Fair terms of trade
- Sustainable sourcing

PERFORMANCE MEASURES/VALUE DELIVERED

- Directly served 430 suppliers and awarded UGX 191.3Bn in contracts
- Procurement efficiency rating of 93% (2022: 92%)
- Supplier Forum in June 2023 with 313 suppliers physically attending
- Digitised our contract management process
- Our supplier approach is shaped by our Sustainable Procurement Charter

RISKS

- Engaging and enlisting unscrupulous suppliers could lead to conflicts of interest, bribery and poor service delivery impacting negatively on our reputation

STRATEGIC RESPONSE TO DELIVER VALUE

- Ongoing procurement efficiency evaluation to measure performance and identify areas of improvement
- Improve and increase supplier engagements
- Promoted supplier competitiveness
- Prompt and uninterrupted delivery of materials/services

OPPORTUNITIES AND OUTLOOK

- Further digitise the procurement process
- Sustainable procurement efficiency, supplier satisfaction and experience
- Improve contract management practices

QUALITY OF RELATIONSHIP



Industry Associations



NEEDS AND EXPECTATIONS

- Collaborations to Keep abreast with key developments and standards and respond to new requirements
- Regulatory advocacy
- Increase product, service and social security development

PERFORMANCE MEASURES/VALUE DELIVERED

- Collaborated with our partners such as NIRA, URA, URSB on specific solutions such as registration that required a multi-partner approach
- Liaised with the Uganda National Roads Authority via the Road works contractors' workshop regarding compliance
- In partnership with Mastercard Foundation, we are on course to seed fund 5,000 small and growing businesses with each receiving USD20,000
- Work with Banks in supporting our collections, benefits payments and financial market operations
- Support realisation of ESG practices and prioritised SDGs
- Mutually beneficial collaborations with local and regional industry associations such as, International Social Security Association, East and Central Africa Social Security Association

RISKS

- Lack of engagements leading to inability to meet regulatory requirements, compliance, and damage to reputation

STRATEGIC RESPONSE TO DELIVER VALUE

- Participate in industry-led initiatives pertaining to policy and law
- Business and sector forum engagement and participation
- Capacity building initiatives

OPPORTUNITIES AND OUTLOOK

- Provide platforms for broader actions on social security coverage and development
- Identify and increase partnerships to support increase in coverage and best practices
- Address social security-related developments, concerns, and initiatives and sharing lessons and best practice

QUALITY OF RELATIONSHIP



Communities



NEEDS AND EXPECTATIONS

- The value we bring to the communities in which we operate through purposeful CSI activities
- Local community factors including ESG considerations

PERFORMANCE MEASURES/VALUE DELIVERED

- Completed renovations of four public primary schools with over UGX 298M spend, improving the learning environment for more than 15,000 learners
- We raised more than UGX 940M from partners, individuals and communities to refurbish public schools because of NSSF Kampala Seven Hills Run
- Registered an attendance and reach of 16,000 students from the University Career Expo. The Expo has cumulatively contributed over UGX 36.4Bn in the last 12 years, to prepare students for the workplace and equip them with skills and knowledge to increase their employability
- Engaged and impacted 2,376,471 people on financial wellness via our Financial Literacy Initiative
- Seed funded 155 small and growing businesses each with USD20,000 under our Hi-Innovator initiative in partnership with Mastercard Foundation. So far, the programme has created and/or sustained 1,700 direct jobs, and 37,000 indirect jobs
- Launched the Solana Lifestyle and Residences that will comprise of 2,750 residences to include apartments, townhouses, bungalows, and villas, creating infrastructure development and healthy living
- Collected 2,700 units of blood in partnership with the Uganda Blood Bank promoting healthy and better lives
- Our scalable activities continue to provide great content for our media channels and improve public perception of our Fund

STRATEGIC RESPONSE TO DELIVER VALUE

- Implemented CSI initiatives like Seven Hills Run, KAVC, blood donation drive, school renovations and Career Expo
- Conducted Financial Literacy wellness training for customers
- Continued to seed fund small and growing business through the Hi-Innovator programme in partnership with Mastercard Foundation

OPPORTUNITIES AND OUTLOOK

- Continue to refine our CSI activity for impact
- Identify and continue working with partners to positively impact communities and expand social security coverage

RISKS

- The inability to create a positive and sustainable impact on the communities within which we operate has a negative impact on the sustainability of our operations and the economy at large

QUALITY OF RELATIONSHIP



3. OUR STRATEGY

Our Members

Our commitment to deliver value to our customers

At NSSF, every aspect of our operations and initiatives influences our customers' perception. Whether it is addressing operational issues, introducing new products, or fulfilling our mandate, the goal is to deliver an exceptional customer experience. To achieve this, we work together across the entire organisation, striving to improve and sustain every aspect of our customers' journey.

Our commitment to delivering value is driven by our passion for serving our members in the best way possible. We recognise the importance of our people's quality and dedication and our ability to collaborate effectively and create synergies. As we provide social security services, we offer various engagement platforms, including digital solutions, contact centers, walk-in services through our branch network and outreach centers, and personalised assistance from relationship managers.

In our pursuit of Responsible Growth, we keep our customers' unique financial needs at the forefront, ensuring that our products and services evolve to meet their requirements.

Our relationship with our customers

Our member services encompass customer experience, benefits and data, and service quality. These services enable us to transform our resources into valuable outcomes that align with our strategic goals and benefit our customers. Throughout our journey, we have cultivated strong and enduring relationships with our customers, staying true to our mandate.

We achieve this by:

- Continuously improving our services and striving for higher levels of customer satisfaction.
- Fair treatment, transparent communication, and timely service delivery are integral to our inclusive approach that respects and reflects the diversity of our customer base.
- Living up to our promise of making lives better by offering simplicity, convenience, speed, safety, accuracy and clarity in our offerings.



Our staff are customer centric and our members are a priority to us.



To gauge the quality of our customer relationships and service, we conduct regular external and internal service tracking. These include various indicators such as a Customer Satisfaction Index, Net Promoter Score (NPS), Mystery Shopper Survey Score, Service Quality Score, Customer Effort Score, Service Level and Efficiency, First Call Resolution, Customer Complaints and Resolution Time Around Time (TAT), and E-channels to Walk-in ratio.

Although we have made significant improvements in service levels, our dedication to transparency, accountability, and ethical leadership drives us to strive for even greater performance. We remain committed to acknowledging areas for improvement and fulfilling our mandate with utmost dedication.

Our key material areas to creating value for our customers

Key member and customer concerns	Material areas	...to achieve the following value	
		For our Fund	For our customers
<ul style="list-style-type: none"> • Simplicity and convenience • Speed, safety and accuracy • Benefits that matter • Clarity of offerings 	<ul style="list-style-type: none"> • Providing our customers with a personalised services offering • Continuously automating processes and driving innovation • Clear communication • Ensuring Know your Customer (KYC) at each point of contact • Improving front and back-end collaborations • Process improvements • Embracing Financial Literacy at all touchpoints • Continuously empower our staff provide excellent and consistent customer experience 	<ul style="list-style-type: none"> • Improved customer experience and satisfaction • Improved NPS • Increased service quality • Customer trust and support • Growth of the customer base 	<ul style="list-style-type: none"> • Simple, efficient, and convenient service solutions accelerated by innovation and digital enablement • A safe, trustworthy, and accountable social security provider • Timely benefits payments • Profitability and competitive returns • Empowered customers making better financial decisions • Increased clarity on offerings via customer engagement
Nature of relationship	Our customers are the members who are the principal owners of the Fund and direct beneficiaries of Fund services. These are made of employers who are entities of varying sizes across diverse industry sectors that make contributions on behalf of employees (workers). The employees are those in these entities in the private sector and are earning a wage. Through the NSSF (Amendment) Act 2022, we are expanding social security coverage to the informal sector and ensuring that all workers and their loved ones invest in their future and plan for retirement.		

Key developments in FY 2023

In our pursuit of fast and effective customer service, we foster an environment that promotes curiosity, digital thinking, and continuous improvement among our people. This approach empowers us to swiftly refine ideas and deliver brilliant solutions.

Throughout FY 2022/23, we placed significant emphasis on enhancing our customer experience and service. This involved leveraging enterprise technology, investing in digital capabilities, streamlining, and automating processes, and empowering our people to deliver the best customer experience. All of this was achieved amidst the challenges of ensuring stability in our operations.

Despite a challenging year, we are not defined by our setbacks, and we will gauge our success by our ability to learn from these and rise above them with renewed vigour and determination to fulfil our mandate.

Our approach to making lasting, positive change in our customers' lives is focused on talent, diversity, equity and inclusion. In our efforts to position ourselves, we recognised our responsibility as a conscientious corporate citizen to generate sustainable value for our members, stakeholders and society.



3. OUR STRATEGY

Key initiatives

Digital Benefits Claim Application

We successfully implemented the Digital Benefits Claim Application, offering online claims processing for members on both the Web App and the Mobile App. This front–end verification process has resulted in faster service, accommodating walk–in customers. Key outcomes include online application options, real–time biometric and bank details verification using facial recognition, and reduced paper usage and printing costs.

WhatsApp Chatbot

We deployed “Sanyu”, an Artificial Intelligence–powered chatbot on our customer WhatsApp channel. The chatbot enables our customers to register with NSSF, track their benefits processing, check their provisional statement balances, and respond to their Frequently Asked Questions (FAQs). Where customer requests cannot be fulfilled, Sanyu is seamlessly routing the query to the best available agent.

Know Your Customer (KYC) Transformation

As part of our KYC Transformation, we have taken steps to better understand and serve our customers using existing information. Through a KYC solutions portal deployed via MTN, we enable over 1.5 million customers to update their non–financial data using their individual global identifier, such as their National ID Number, Passport, or Refugee Number. This ensures proper identification of our customers and facilitates business relationship growth, while also enhancing our 360–degree view of the customer to further improve service delivery.

Instant self–registration via Mobile Telecom USSD

Through a strategic partnership with a leading mobile telecommunications company, MTN, we have streamlined the enrolment process for new customers. Using USSD, over 3,000 new customers have successfully registered and obtained their personal social security numbers. This efficient channel ensures instant confirmation of their NSSF number or account via SMS, enhancing the overall enrolment experience for our valued customers.

Savings Payment Using NSSF Number Over the Bank Counters

We have introduced a convenient and cost–effective option for our voluntary customers. They now have the choice to transact and pay contributions at zero cost over the bank counter using their NSSF 13–digit number. This service has been successfully rolled out in collaboration with DFCU bank, and we are actively working to expand it to other bank platforms, including Agent, Online Payments, Standing orders, Bank App payments and Mobile Wallets. Our commitment is to enhance the quality of life for all our customers, ensuring their savings are promptly remitted and contributing to their financial stability for the future.

Benefits Processed and Paid

In the last financial year, we efficiently processed benefits for 46,337 members and disbursed a record–breaking amount of UGX 1,205,754,493,803 with an average turnaround time of 11.9 days, a notable improvement compared to the 12.3 days in the previous year. This marks the first time in the Fund's history that we paid out over one trillion Uganda Shillings in a single year. The increase in benefits payment was driven by a significant rise in claimants, both midterm and age–related.

Our commitment is to improve the quality of life for all our members, ensuring that when we disburse benefits to eligible individuals, we empower them to enhance their financial stability and overall well–being. We continuously strive to streamline our processes, delivering prompt and seamless services to our valued customers.



Annual Members Meeting

On 27 September 2022, the Fund held an interactive Annual Members Meeting (AMM) in line with our commitment to transparency and accountability to NSSF members, stakeholders, and the public. The event has, over the years, become a significant highlight for the Fund, attracting key NSSF partners as well as contributors.

During the meeting, Fund management shared information about social security and current social security trends and the operations of NSSF regarding contributions collection, benefits payments, investments and future initiatives. The event highlighted our purpose of making savings a lifestyle.

The Board of Directors reported on the performance and plans of the Fund for the current financial year, and in turn, received feedback in an interactive forum.

The event was majorly virtual through our online platforms, television, and the Fund's social platforms.



NSSF Executive Committee answering member queries at the Annual Members Meeting.

Achievements:

We attained a total real-time livestream views of 12,909 compared to the previous financial year of 11,081. The event coverage registered 100% positive sentiments.



Awards won in FY 2023

In May 2023, the Fund received three International Social Security Association (ISSA) Good Practice Awards on:

- Automating Member Benefits Claim
- Invalidity Benefit Payments to Members affected by Covid-19
- Roll out of the Smartcard

This was during the Regional Social Security Forum for Africa (RSSF Africa) held in Abidjan, Côte d'Ivoire. The awards highlight our innovative service delivery and demonstrate how social security can enhance resilience and sustainability.



Member Testimonials

"This is to appreciate your excellent customer service (online team) and also acknowledge the kind and professional staff that worked on my account (Acacia branch). Thank you for the good customer experience." – Yours Jackline

"Our 5 stars of appreciation go to Docus at the customer care desk. She did such a splendid job in helping us get an NSSF number including delivering past office hours. You are amazing" – Docus.

"Thank you for the advice. I must say, I appreciate the service NSSF offers digitally." – Anonymous

"I am grateful for your excellent customer service. The last time, in August 2020, my claim took three weeks, but this time it was only three working days. Thanking you sincerely." – Anonymous

"NSSF Mbarara offices are open at 8am. You are welcomed by friendly and smiling faces and get served immediately. Who does that? Even private businesses are still closed at that time!" – Anonymous

3. OUR STRATEGY

Achievements against performance measures

Impact over five years

Description	FY 23 Target	FY 19	FY 20	FY 21	FY 22	FY 23	FY 25 Target
Customer Satisfaction Score	86%	84%	83%	86%	82%	88%	95%
Mystery Shopper Rating	86%	83%	86%	82%	82%	88.3%	95%
Net Promoter Score (NPS)	65	59	67	76	74	72	85
Customer Effort Score	60	–	83%	86%	68%	85%	95%
Customer Complaints and Resolution	4 working days	14975 resolved in 3 working days	13784 resolved in 10 working days	7,380 resolved in 15 working days	15,390 resolved in 5 working days	14,017 to 3.5 working days	1 day
Service Quality Score	90%	92%	91%	86%	95%	91%	95%
Service Level	80%	80.5%	81%	86%	84%	86.5%	80%
Benefits Turnaround Time (TAT)	9 days	8 days	7 days	8.4 days	12.3 days	11.9 days	1 day
E–channels to Walk–in Ratio	90 to 10	62 to 38	84 to 16	94 to 6	93 to 7	94 to 6	95 to 5

Future outlook

Looking ahead, we are focused on the following priorities to improve customer experience:

- Develop and deepen the Concept for 360–degree view of our members.
- Improve every interaction between our front facing service advisors and customers, with further investment in skills and tools.
- Implement Voice of the Customer Led Designs.
- Develop all our digital (online) channels to enable more customers to adopt online as the best method of interacting with us.
- Enable all our people to put customers' needs at the heart of their decision making.
- Continuously improve our processes and solutions to improve customer convenience and interactions.

Critical success factors for customer satisfaction

- Leverage opportunities resulting from the new law to develop new products and services for our customers to meet individual needs for both long– and short–term savings, for example, creating a unit trust.
- Changing the business model from a relationship management model currently servicing 30,000 employers to an agile model which will be scalable to service 150,000 employers and potentially 14 million individuals in the informal sector.
- Optimise digitisation and innovation to improve customer service.
- Continue to achieve outstanding customer service results.
- Streamline structures to enable internal resources to initiate solutions to challenges swiftly to better serve our customer base.

Our Employees

Diversity, Equity, and Inclusion (DEI): A Path Towards Gender Balance

Fostering inclusivity

"In its commitment to foster inclusiveness at the workplace, NSSF has made strides to enhance diversity, equity, and inclusion at all levels in the organisation, including at the most senior managerial levels. While substantial progress has been made in the past, the Fund acknowledges the need for ongoing efforts to create an environment where everyone is valued, supported, and enabled to realise their full career potential regardless of gender. Establishing a workplace that promotes diversity and equity represents a significant victory, benefiting both individual employees and the whole organisation."



Mr. Milton Owor
Chief of People and Culture



Fostering gender diversity

Today, women represent only 22% of the managerial roles at the Fund. Acknowledging that this is unacceptable, we have an ambitious goal for the future. Our goal is to achieve a 40:60 gender ratio by 2030, ensuring that women occupy at least 40% of managerial positions. NSSF recognises that a diverse leadership team provides a broader range of perspectives, ideas, and solutions, contributing to better decision-making and overall organisational and individual success.

To achieve this, we are proactively implementing various initiatives to empower women and foster their leadership growth. One standout initiative is the Pathfinder Academy, a platform designed to cultivate leadership skills and empower women employed by the Fund. The academy provides training, mentorship, and networking opportunities for our female talent, equipping them with the tools and knowledge necessary to unlock their potential and excel in leadership roles.



Graduation Ceremony of the First Cohort of NSSF Pathfinder Programme.

Building an inclusive leadership pipeline

By investing in the professional development of women, NSSF is taking tangible steps to bridge the gender gap and build a more inclusive leadership pipeline. A significant milestone in NSSF's DEI journey was the recent completion of a restructuring process. During this process, 51 women acquired new roles out of the 116 positions available. This accomplishment not only highlights the Fund's commitment to gender parity but also underscores the effectiveness of its initiatives in fostering career advancement opportunities for women. By providing a supportive environment and merit-based selection processes, NSSF creates avenues for women to rise to leadership positions based on their qualifications and potential.

While these achievements demonstrate progress, NSSF is fully aware that meaningful change requires continuous effort and vigilance. By promoting a culture of inclusivity, where all employees feel valued and empowered regardless of gender, NSSF aims to create an environment that celebrates diversity and encourages collaboration among employees from various backgrounds.

3. OUR STRATEGY

Beyond equality to enhanced performance

The benefits of a diverse and inclusive leadership team extend beyond social justice and equality; they positively impact the bottom line and overall organisational performance. By fostering an environment where women and men have equal opportunities to contribute and lead, NSSF is positioning itself for sustained success in an increasingly dynamic and competitive landscape.

Our DEI strategy is already paying huge dividends. We attract and retain the best female talent in the market, and an increasing number of women are being promoted into senior leadership roles.

Key Staff Initiatives in FY 2023

Our employees are a key driver of our success in serving our members. It is through their ingenuity, excellence, and integrity that we can build a prosperous Fund. We are committed to fostering a work environment in which our people are supported, feel like they belong and can make meaningful contributions in living out our purpose. Our work environment is a vital component of our human capital strategy. It focuses on investing in experiences across the employee life cycle by attracting and retaining skilled talent, employee engagement, and supporting employees and their families in various stages of life through our competitive total rewards portfolio.

Occupational safety and health

In the pursuit of maintaining a safe and secure work environment, the Fund placed emphasis on occupational safety and health (OSH) during the year.

One of the key initiatives in this regard was the training provided by Uganda Red Cross Society. More than 55 Occupational Safety and Health Committee champions underwent intensive training, covering a range of critical topics. These included effective strategies for managing fire injuries, resuscitation techniques and addressing fainting incidents, among others. By empowering these champions with practical skills, the Fund has taken a significant step towards enhancing the organisation's overall safety preparedness.

Recognising global OSH importance, the Fund sent a staff member to South Africa for ISO 45001 training, boosting expertise with this globally recognised benchmark.



Taking care of our staff who are mothers is crucial to our work life balance strategy. Mothers freely breastfeed their babies during working hours.

Enabling Breastfeeding

NSSF received an Award for making a difference for working parents and enhancing staff productivity.

UNICEF and the Ministry of Health recognised the Fund for its efforts towards protecting the rights and dignity of the breastfeeding mothers. The Fund promotes exclusive breastfeeding of infants for its working staff through its exquisite childcare facility also known as the NSSF Creche at its offices.

Employee health and well-being

"A Healthy Lifestyle for a Better Life"

To nurture and promote a comprehensive approach to employee wellbeing, the Fund has embarked on a transformative journey that prioritises physical and mental health. Over the course of the financial year, a range of innovative initiatives were undertaken to cultivate a wellness culture, resulting in amplified staff engagement, improved health, empowerment, and a thriving atmosphere of healthy living. This has translated into heightened productivity, enhanced teamwork, and an overall healthier and happier workforce.

These initiatives include:

- **Step Challenge:** a dynamic six-week Step Challenge encouraged staff to embrace physical activity, promoting a more active lifestyle.
- **Lose it Together Challenge:** To promote weight management and healthy eating habits, the Lose it Together Challenge created an atmosphere of camaraderie in pursuing a common wellness goal.
- **Gym and Fitness Centres:** Staff were encouraged to frequent gyms and fitness centres to uphold their physical fitness.
- **Health Screenings:** Annual medical checkups provided valuable insights into staff members' health status, including BMI, blood pressure, random blood sugar, optical and dental checkups, HIV counselling and testing services for staff and their dependents.
- **Wellness Champions:** A network of wellness champions was thoughtfully selected and trained from various departments and branches. These champions play a pivotal role in disseminating wellness practices and supporting colleagues in adopting healthier lifestyles.
- **Staff Wellness Townhalls:** Company Health Advisors facilitated enlightening wellness sessions to guide staff in cultivating habits conducive to healthy living.
- **Healthy Meal Offerings:** The staff cafeteria was transformed into a hub of health, offering nourishing and balanced meals to sustain employee wellbeing.
- **Personalised Health Advisory:** Those with high-risk health conditions received personalised guidance from Company Health Advisors, fostering individualised support.
- **Continuous Guidance:** A steady stream of wellness insights, counselling nuggets, and wellbeing tips were disseminated weekly, fostering a culture of ongoing learning and improvement.
- **Counselling:** Free counselling services are offered to employees and their immediate families through our independent services provider M/S Healing Talk Counselling Services.
- **Calendar Health Celebrations:** The Fund actively commemorated key health days and months, including World Cancer Month, World Food Day, World AIDS Day, World Mental Health Day and World Breast Feeding Week, engaging staff in the global health narrative.
- **Dependent Care and Breastfeeding Support:** The Fund's onsite childcare facility extended care to breastfeeding mothers, earning recognition from the Ministry of Health and UNICEF for its commitment to supporting breastfeeding mothers' rights and dignity.

3. OUR STRATEGY

Employee Engagement

Our approach to employee engagement centres on creating an environment where our employees feel valued, informed, and connected to the organisation's goals. We have taken deliberate steps to foster engagement that goes beyond surface level satisfaction. Our commitment to engagement is evident through our annual Employee Engagement Survey, which offers our employees the platform to share their thoughts, opinions, and suggestions for improvement on various aspects of their work environment.

This feedback serves as a compass that guides our decisions at the highest levels of leadership. By considering our employees' perspectives, we ensure that our strategies, policies, and initiatives align with their needs and aspirations.



During the annual staff conference, our staff are encouraged to raise any issues that may affect their work and are also invited to make suggestions that will enhance their performance.



Our Fund doctors frequently give staff health related advice during townhalls and at staff conferences.

Our commitment to employee engagement has yielded tangible results. Over the past two years, our annual Employee Engagement Survey has consistently shown engagement levels exceeding 90%. These numbers reflect not only employee satisfaction but also their active involvement in the organisation's journey.

This year's survey indicated an overall employee satisfaction rate of 86% (FY 2022: 92%) The decline in the employee satisfaction rate is due to the recent NSSF investigations which reduced staff morale, increased their anxiety, uncertainty and insecurity during the period.

Our management team is equally assessed through a 360-degree review that enables employees to provide feedback to their leaders, peers, or direct reports. This feedback helps management identify areas of leadership strength as well as areas for development improvement.

Our engagement initiatives extend beyond the survey, encompassing a variety of activities aimed at building connections, fostering open dialogue, and promoting a sense of community.

These initiatives include:

- **Managing Director's Town Halls:** A forum where staff are updated on key business issues and can ask questions, promoting transparency and alignment.
- **Team-building Activities:** Regular team-building events encourage staff to interact with colleagues outside of the daily office routine, building stronger bonds and collaborative relationships.
- **Human Resource Roadshows:** Our Human Resource Business partners periodically visit all branches in a bid to be in contact with all staff on a range of issues that affect them.
- **Annual Staff Conference:** An event where management communicates key information to all staff in one collective setting, strengthening the sense of unity and shared purpose.



NSSF staff undergoing health check ups during the staff conference.

Communication

Our relentless pursuit of a harmonious and productive work environment hinges on the principles of trust and collaboration. Embedded within the very fabric of the Fund culture is a commitment to maintain robust channels of communication among our employees. We believe that open dialogue is the cornerstone of a thriving organisation.

To this end, we have established a range of online communication platforms that empower our employees to voice their insights and concerns. The intranet facilitates daily updates spanning the Fund operations in Uganda and the broader region. Through these initiatives we reaffirm our dedication to fostering an environment where every voice is heard, ensuring that ideas flourish and relations prosper.



NSSF employees at the Annual Staff Conference.

Our policies and procedures ensure consistency and fairness across the Fund. Our policies are written in an understandable way and are accessible to all staff. Every two years we review our policies to ensure they are up to date with legal requirements and relevant for business and social strategies.

Equal opportunities

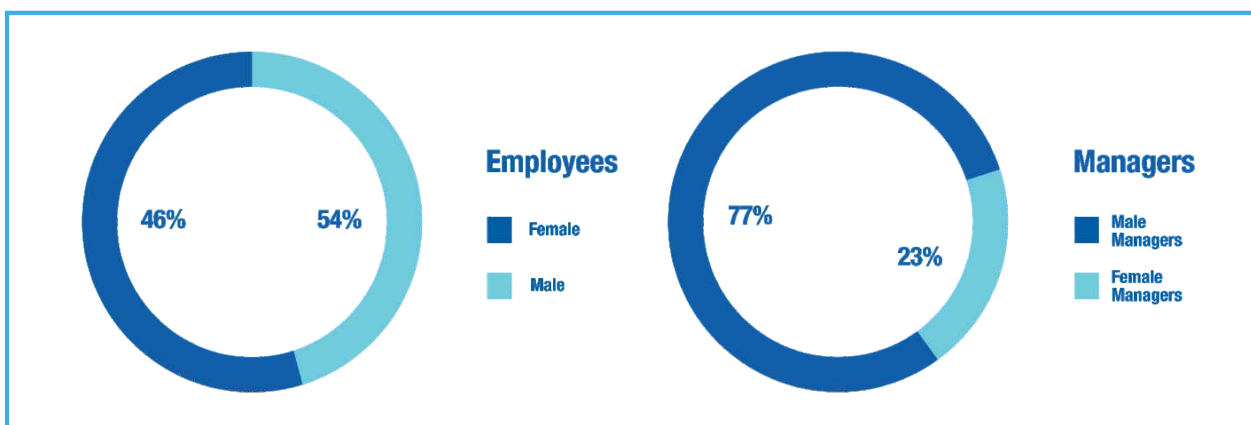
Our guiding philosophy embraces the principles of authenticity, value, and belonging for all. We are resolutely dedicated to fostering a diverse workforce underpinned by an inclusive culture, with equity at its very core. Our commitment to this ethos extends to every facet of our organisation, creating an environment that nurtures opportunities for individuals from diverse cultures, faiths, ethnicities, heritages, abilities, genders and ages.

Our workforce comprises a total of 579 employees (FY 2022: 637). Our employee turnover rose to 6.5% from 2.1% last year due to voluntary exits after organisational redesign. The Fund promotes equal opportunities and gender equality is not just an intention but a reality. Female employees constitute 46% of our total workforce, with 23% holding positions in managerial roles.

Our decisions regarding recruitment, promotions, training, and all employment matters are grounded solely on individual capabilities, achievements, expertise, and conduct. We emphatically reject discrimination based on gender, race, religion, ethnicity, cultural, heritage, age, social background, disability, or any other consideration not linked to job performance.



3. OUR STRATEGY



Remuneration and benefits

We pay salaries in line with appropriate market rates, as well as providing our people with a range of other benefits. Benefits include medical insurance, life insurance, leave concession allowance, gym membership for all staff, retirement benefits scheme, among others. All permanent employees participate in our variable annual remuneration plan. We offer a consistent and competitive annual bonus to all permanent staff across the organisation.

Human rights and labour issues

In FY 2022/23, no incident of discrimination or violation involving human rights was recorded. In this regard, the Fund has the following policies:

- Anti–sexual harassment policy
- Anti–discrimination policy

Performance management

Clear and measurable organisational, departmental, and individual performance targets are set at the beginning of every financial year, so our employees know what is expected of them to focus their energy and efforts on what matters most.

Clear rating descriptions provide our employees with an indication of where they stand in their personal performance and growth journey.

Employee retention and succession planning

Our objective is to foster a culture of excellence within the Fund and talent retention is critical. We strive to attract, recruit, and retain the best talent for all roles across the Fund to best serve our members. The Fund rewards employees for long term service and exceptional performance and achievement.

Our effective retention strategy and succession planning is shown in employee tenure. The average tenure is 8.9 years, and over 61% have contributed for 5+ years. In FY 2022/23, 160 employees were promoted to senior roles, mostly from positions created post the organisational redesign.

Training and development

Our commitment to employee development stands as a cornerstone of our mission to achieve greater efficiency, growth, and competitiveness. During the year, we continued to provide equal opportunities for growth and learning, recognising that a skilled and adaptable workforce is paramount to our success.

We have established a comprehensive framework that encompasses diverse avenues of growth, including mentorship, formal training, on–thejob learning, benchmarks and secondment on key projects.

Employee development plans are tailored to nurture critical skills that are pivotal for propelling the Fund's future growth. We go beyond skills to cover strategy, technology, leadership succession, and employee needs. We achieved a 97% implementation rate for the corporate training plan.

Embracing digital innovation, we have invested in Percipio, an e–Learning skilling platform designed to drive transformation. This innovative platform facilitates the identification and measurement of skill proficiencies, ensuring our workforce remains relevant and agile in a rapidly evolving landscape. This platform offers a blend of self–paced online courses, hands–on practice, virtual live online classes, career growth journeys, and coaching, all accessible anytime, anywhere, and on any device. The platform has an impressive utilisation rate of 92%.

Adapting to Disruption

NSSF was awarded a 5–Star best practice certification scheme rating during the 9th International Best Practice Competition 2023.

This was in relation to the Fund's journey with the Flexible Balanced Scorecard. The Fund detailed its transformative journey of implementing a dynamic and flexible balanced scorecard system highlighting how staff are empowered to embrace new initiatives at any point during the year.



Our Regulators

Our Regulators and Government

During the Financial Year (FY), the Fund has actively involved its regulators and Government in an ongoing process of collaboration, striving to create sustainable value for our members, stakeholders, and society as a whole.

Our reputation depends on and is also influenced by our regulators and government's perceptions, which in return affects our performance. We therefore have a shared responsibility to engage with these key stakeholders across all aspects of our operations and functions, utilising various communication channels. They play a vital role in our success at every stage in our value chain.

Our regulators include government, Parliament of Uganda, Ministry of Gender, Labour and Social Development (MGLSD), Ministry of Finance, Uganda Retirement Benefits and Regulatory Authority (URBRA), as applicable, Public Procurement and Disposal of Public Assets (PPDA), Solicitor General, Attorney General and Uganda Revenue Authority (URA), Capital Markets Authority (CMA), National Environmental Management Authority (NEMA), Financial Intelligence Authority (FIA) and Bank of Uganda among others. Our engagement with these regulators extended throughout the year, with clear expectations of the intended outcome of the interactions.

The productive two-way engagement with regulators and supervisors remains critically important to a predictable and sustainable business environment and to ensure that we understand and can proactively manage increasing regulatory change.

We work closely with the Ministry of Labour and Ministry of Finance to help deliver services to our members, maintain good relationships and share authoritative and updated information to properly interpret and implement regulatory requirements.

We routinely assess the risks posed by regulatory changes and employ compliance, risk and regulatory management teams to ensure effective implementation of regulation. The Fund actively participates in the engagement with policymakers and regulators across our footprint at national, regional and local levels across each of the Fund's key markets – including, but not limited to Kenya, Rwanda and Tanzania where we hold investments.

Through this, we have continued to develop mutually beneficial partnerships that allow NSSF, often along with our ecosystem partners, to:

- **Mitigate legislative and regulatory risk**
- **Maximise the impact of local NSSF investments within certain geographies**
- **Deepen NSSF's thought leadership on the development of key public policies**
- **Enhance the recognition of NSSF as a technology and employer 'partner of choice'**

This has enabled us to have constructive, collaborative relationships and dialogue with regulators and government.



3. OUR STRATEGY

Key highlights

Quality of relationships

We are committed to transparency in our relations with URBRA, as applicable, Parliament of Uganda, Ministry of Labour and Ministry of Finance, and Inspectorate of Government (IGG) among others, to achieve different purposes. For instance, our legislators, (MGLSD), Ministry of Finance, URBRA, as applicable, and IGG played a critical role in bringing insights into our corporate governance. Key matters which become significantly more prominent during the FY, are those dealing with governance, leadership and corruption. Following recommendations from the probe, there were no findings of corruption. The matters concerning governance and leadership were identified as short to medium-term challenges, most of which were addressed and resolved by the end of the financial year.

We are currently undertaking proactive measures to steer our reputation in a positive direction. We assure our regulators and stakeholders that we remain committed to achieving our mandate and that we continue to place special focus on strengthening corporate governance and ethics, and stability of the Fund.

We also continued to offer our skill and expertise in contributing to government consultations to share our point of view on the laws and regulations in the sector in order to safeguard the unique characteristics of the Fund and social security/pensions sector.



Martin Nsubuga, CEO of URBRA shaking hands with the NSSF Chairman at the AMM.



Our Fund Supervisors

In living up to our purpose of making lives better, making savings a way of life and enabling more and more people to take charge of their financial wellbeing, a number of Fund activities required regulatory authorisation, guidance, licensing and/or registration with various key regulators.

During the reporting period, the Fund continued to commit to complying with and conducting business in accordance with relevant regulatory requirements. Our alignment with emerging regulators' key business plans in making our members' lives better continued. Several of our activities were and are therefore authorised, controlled, supervised, and regulated. We remain dedicated to transparency, accountability, and ethical leadership, readily acknowledging areas for improvement as we strive to become the premier social security institution in East Africa.

As a result, our senior leaders and Board commit a significant amount of their time to meeting with our regulators and policymakers, providing opportunities for us to understand their needs, expectations and priorities and to keep them informed about developments in our business.

In addition, our businesses and control functions engage with regulators in a variety of ways, such as reporting on compliance with laws and regulations, policy recommendations and participation in industry collaborative initiatives and ad hoc requests. This has strengthened our ability to manage the safety of the pension system and our commitment to continuous improvement in pursuing our mission to foster shared prosperity among our members, the economy, and society at large.

Our legislative engagements

The legislators continue to play a key role in shaping the pension sector and creating limitless opportunities for our people. Through the recently enacted NSSF (Amendment) Act 2022, we are expanding social security coverage and enriching the range of benefits available to savers. This legislation is designed to promote shared prosperity by ensuring that all employees are safeguarded and empowered to lead better lives. It enables savers to invest in their future and plan for retirement, thereby establishing financial security for themselves and their loved ones.

Our partners: the National Organisation of Trade Unions, Central Organisation of Free Trade Unions, Federation of Uganda Employers also continue to participate in this process to make these new possibilities a reality.

We have and continue to work with the Ministry of Gender, Labour and Social Development on corporate governance and leadership issues, budget guidance, various partnership reach, and regulations issuance to guide on the implementation of the Amendment Act 2022, specifically on increasing coverage in the sector.

Overall, the Ministry of Gender, Labour and Social Development provides supervision on matters relating to social security while the Ministry of Finance and Economic Development supervises on matters of finance and investments relating to the Fund.



Protecting our customers' financial data

Protecting our customers' personal and financial information and handling confidential information responsibly remains top priority. We have put in place robust internal controls, policies and security measures designed to keep this information safe, utilising a wide range of technological, administrative, organisational and physical security measures. As a result, we have collaboratively engaged with the Financial Intelligence Authority (FIA) to improve our expertise relating to the typologies and trends relating to money laundering, and factor these into our risk management framework.

Our customers expect us to be transparent and communicate how we are handling their financial information. We strive to provide them with clear, user-friendly explanations of our privacy practices, including how and why we collect information relating to any suspicious transaction. We do this through a wide range of technological, administrative, organisational and physical security measures especially for our Voluntary Contribution Members remitting large cash amounts as part of engagements relating to Know Your Customers (KYC).

Our approach to tax growth

We recognise that tax sustains and safeguards long-term growth value and enhances the reputation of communities in which the Fund operates. Additionally, it contributes to promote shared prosperity.

In the financial year, we continued to act lawfully and with prudence in our responsibility to comply with tax statutory obligations and disclosure requirements. The Fund maintained open and constructive relationships with the Uganda Revenue Authority.

Our tax contributions for the reporting year, were as follows:

UGX 168Bn	Taxes collected on behalf of government
UGX 25Bn	Taxes paid to government

3. OUR STRATEGY

Our Suppliers

Procurement role in championing sustainability

The Procurement and Disposal Unit's core responsibility in the Fund is to streamline, mitigate and reduce process risks and costs associated with the acquisition of goods, works and services. The department contributes to fulfilling the Fund's strategic objectives by sourcing quality products and complying with the established procurement regulations. Reliance is placed on data analytics, market research and automation to predict and fulfill stakeholder requirements while incorporating sustainability initiatives in the processes.

Sustainability, as a global trend has gained increasing traction. In broad terms, sustainability is categorised into three key aspects namely; Environment, Society and Economy. Sustainability has been an integral part of procurement. We partner with suppliers to incorporate sustainable practices in their processes to reduce carbon footprint, ensure efficient use of sources of energy and utilisation of recyclable and reusable products.



Mr. Gerald Mugabi
Head of Procurement and Disposal Unit



Engaging with our suppliers

This year, the Fund organised a Supplier Forum under the theme "Adapting to Global Trends" to emphasise its commitment to sustainability. The Supplier's Forum was well attended, and it attained a satisfaction rating of 99%. We hope to continue to inspire the supplier community and other institutions to incorporate sustainable practices in their operations.

Highlights

Achieved significant cost savings of UGX 1.97Bn through strategic negotiations, process optimisations, and effective supplier management

Engaged some 430 suppliers

Procurement proficiency is rated at 93%

Impact/Outcome

PROJECTS OF UGX 191Bn AWARDED TO LOCAL CONTRACTORS

FRAMEWORK AGREEMENTS WITH 81 LOCAL SUPPLIERS
NUMBER CONTINUES TO GROW

**STREAMLINED PROCUREMENT PROCESSES
LEVERAGING TECHNOLOGY
MAKING DATA-DRIVEN DECISIONS**



We held our annual Supplier Forum in July 2023

Procurement governance

From a governance perspective, we continue to adhere to the PPDA law, regulations, and internal policies. This has been demonstrated by the department ratings of 90% and 94% from the Internal Audit and Enterprise Risk Department respectively. PPDA recognised the Procurement Department for its excellency in transparency and accountability while handling procurement and disposal processes.

Outlook for the year ahead

Currently we lack adequate contract monitoring visibility, and we need to strengthen supplier performance appraisals. We need to effectively track contracts from the drafting stage to performance evaluation and final delivery of the output. A contract management solution has been developed to address the issues on contract expiry, delayed delivery of goods and services and contract deliverables.

Our focus in FY2023/24 will be to deliver on the Fund's strategic projects, mitigate procurement risks – especially contract management risks – reduce procurement acquisition costs, strengthen supplier relationships, and continue to drive sustainability in our processes.

We also commit to support the Fund with the implementation of new products and provide innovative solutions.

INTEGRATED REPORT
4. OUR GOVERNANCE





OUR GOVERNANCE

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4. OUR GOVERNANCE

Foreword by NSSF Chairman Board of Directors

"I am pleased to present our corporate governance report for the FY2022/23, in the second year of the 12th Board being in office. On behalf of the Board, I take this opportunity to commend my fellow Board members and Management for their exceptional leadership in upholding good governance and ensuring that the Board's mandate is delivered."



Dr. Peter Kimbowa,
Chairman, Board of Directors

Reflections on the year under review

The financial year has been overshadowed by the various probes into the Fund's operations by Government agencies, i.e., the Parliament of Uganda, the Inspectorate of Government, the Office of the Auditor General, the Uganda Retirement Benefits Regulatory Authority (Regulator), and Criminal Investigations Department (CID). This was exacerbated by the media scrutiny focused on the governance of the Fund.

Despite the numerous probes, the Fund has demonstrated unwavering resilience and continued commitment to its purpose and sustainability. The Fund's governance was found sound. Our governance structure and processes have enabled us to continue creating value for the Fund, our members, and all stakeholders. Consequently, the Board has established internal cohesion, focus and dynamism amongst its members. The Board has also reignited its trust with all its stakeholders. The Board has built a robust information framework to ensure that information is accurate, complete, timely, and rational to facilitate its decision making.



Board Oversight and Focus

Throughout the financial year, the Board continued to engage on substantive issues and dispensed its oversight role through the mandated Board sub committees.

The issues of sustainability and ESG (Environmental, Social, and Governance) continue to be high on our agenda and we will continue to focus on them in the coming year. Over the years, the elements of ESG have been integrated into the business.

We demonstrate this in our inaugural ESG Report.



In addition, we are proud of the provisional BCA (Building Construction Authority – Singapore) green mark award certification which we received for our Lubowa Housing Project in December 2020, and we await certification for the other real estate projects.



Sound corporate governance

Our governance report sets out our robust approach to sound corporate governance and alignment to King IV principles, our mandate as the Board, together with reports from each Board Committee and activities executed in this ever-changing environment. The Board, being the overall custodian of good corporate governance, together with the Management Team, promotes and upholds the core fundamental principles of governance; accountability, fairness, transparency, and social responsibility in the way we conduct business and in all our processes.

Our integrated report discloses our performance to our members, our stakeholders, and the public as a commitment to our accountability and transparency. The Fund held an Annual Members Meeting in September 2022 which was both physical and virtual. At the meeting, we presented the financial performance and audit findings, and our integrated report to our members and all stakeholders. This will be done again on 25 September 2023. The Board's approach is to ensure that corporate governance is embedded into the strategic objectives, operations, and internal processes of the Fund's business. The Board is committed to keeping abreast with new corporate governance trends from an international, regional, and local perspective in the fulfilment of its vision to become the social security provider of choice to its members and generate tangible sustainable returns.

The Board continues to:

<p>Inspire trust both internally and externally</p>	<p>Clarify business purpose</p>	<p>Provide a culture of frequent and consistent measurement, feedback and reinforcement</p>	<p>Harness productive synergies through a team-based approach</p>
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Compliance Statement

The Fund’s governance approach is based on the main principles and provisions set out in the UK (United Kingdom) Corporate Governance Code and the King IV Code on Corporate Governance. The Fund adheres to and ensures full compliance with the provisions of the National Social Security Act Cap 222 (as amended) and the Uganda Retirement Benefits Regulatory Authority (URBRA), as applicable, that regulates the Fund’s activities.

The Board is also governed by an internal Board charter which stipulates the parameters within which the Board operates and ensures the application of the principles of good corporate governance in all its dealings. The charter sets out the roles and responsibilities of the Board, its committees, and individual Directors, including its composition and relevant procedures of the Board. The charter is aligned with the provisions described above. The way we have applied and explained these governance principles is demonstrated throughout this report. The Board confirms that the Fund, throughout the period under review, complied with all applicable laws and regulations.

Notable outcomes FY 2022/2023

Regulatory reforms

The Board has oversight of compliance through the ARC. The Fund has successfully implemented the National Social Security Fund Act (Amended) that came into force on 7 January 2022.

The amendment introduced midterm access to benefits by our members, expanded coverage of members and employers as well as the dual supervision of the Fund by both the Minister of Gender, Labour and Social Development and the Minister of Finance, Planning and Economic Development. The Fund continues to engage with relevant stakeholders to develop regulations to operationalise some of the provisions of the amendments such as additional products for its members.

Technology transformation

The Board has oversight of technology and information governance through the Finance Committee. The Fund is implementing the Pension Administration System (OctoPAS) which is robust and has improved our efficiency.

Policies approved

The Board approved amendments to the following policies:

- Commercial Policy and Procedures Manual
- Information Security Management Policy
- Investment Policy Statement and Procedures Manual
- Stakeholder Management Policy

4. OUR GOVERNANCE

Reward and recognition for our integrated report

We were delighted to report that the Fund was again ranked first runner-up at the FiRe awards for its Corporate Governance Report. This is a testament that these results reflect the focus and commitment that the Board and management dedicated to corporate governance in upholding the core fundamental principles.



Challenges during the FY 2022/23

The multiplicity of probes/inquiries and the Fund's inability to control the media perception exposed the vulnerabilities in an un-anticipated manner.

Probes on the affairs of the Fund affected the morale of the employees and other stakeholders. The Fund shall endeavour to reset, rebuild and reignite hope and a sense of optimism amongst staff, stakeholders and the market.

Restrictions on investments. There is a need for legislative reforms in specific areas to allow the Fund to broaden the investment portfolio and become more relevant.

Lessons from the probes/inquiries

The Board's accountability ecosystem has improved.

We have held discussions that have introduced four plans as highlighted below:

- Emergency Response Plan
- Disaster Recovery Plan
- Business Continuity Plan
- Contingency Plan

Critical focus areas for FY 2023/24

- Strengthen a culture of excellence in execution of strategy through engagement and empowerment
- Review and improve the succession planning for the Board and Management to have a robust leadership talent pipeline
- Develop and implement a strategy that is responsible to the national social security plan
- Prioritise innovation both within and outside the Fund
- Broaden and deepen a footprint into sustainability



Introduction to Corporate Governance



Ms. Agnes Tibayeita Isharaza,
Corporation Secretary

Acknowledgement for providing legal advice and solutions

The Legal and Board Affairs Department’s key primary mandate is to proactively manage the Fund’s legal risk by providing legal advice and solutions to facilitate the Fund’s business. The Department is an approved Law Chamber operating on private legal practice norms.

I am delighted to report that for the second year running, the Legal Fraternity nominated and voted the Department as the In-house Legal Team of the year 2022–2023.

Providing support and guidance during the probes

We recognise that in the past year, the Fund has been subjected to investigations by various government agencies. This no doubt created uncertainty about the Fund among its members and stakeholders.

The Legal and Board Affairs Department provided the required support and guidance which has contributed to the stabilisation of the Fund specifically through concerted efforts by the Board and Management in exercising their respective statutory mandates.



Legal sensitisations and legal aid clinics

The Legal and Board Affairs Department will continue to sensitise and empower external and internal stakeholders on the National Social Security Fund Act Cap 222 as amended, and emerging trends in the laws and their impact on the Fund and its members. Together with the relevant stakeholders, we conducted various legal sensitisations and legal aid clinics about compliance with the National Social Security Fund Act, Computer Misuse Act, 2011 and its amendments, conducting procurements in emergency situations with Public Procurement and Disposal of Assets Authority (PPDA), among others. The Department also sensitised over 700 members at Kakira Sugar Works in Jinja, the Makerere University Public Interest Law Clinic, and contractors providing services to Uganda National Roads Authority (UNRA) on the Fund’s mandate.

In a bid to effectively sensitise staff members on the interpretation of the amended National Social Security Fund Act, we broke down the Act into sizeable components dubbed “The Legal Series” Season 1: NSSF Amendment Act and seven publications have already been sent to staff. This fosters their understanding of the new provisions as they exercise their mandate and contribute to the Fund’s strategy. They in turn become ambassadors in sensitising the public.

Raising compliance levels

The establishment of an Enforcement and Debt Recovery Unit in the Legal Department has contributed to the Fund maintaining its compliance levels above 50%.

Focus for FY 2024

Our focus in the coming year is as follows:

- Adoption of the learnings from the investigations cited above through enhancing the Fund’s governance documents including appropriate amendments to the Board Charter and various policy documents
- Partnering with strategic bodies, apex bodies and regulators to drive compliance with the Fund’s mandate
- Continue to conduct sensitisations on the amendments of the NSSF Act Cap 222
- Continue to monitor the litigation trends and adopt strategies to minimise the risk of litigation
- Continue re–skilling staff on emerging legal trends and practices
- We remain committed to both our internal and external stakeholders and are confident that together we will accomplish the Fund’s purpose “to make lives better.”

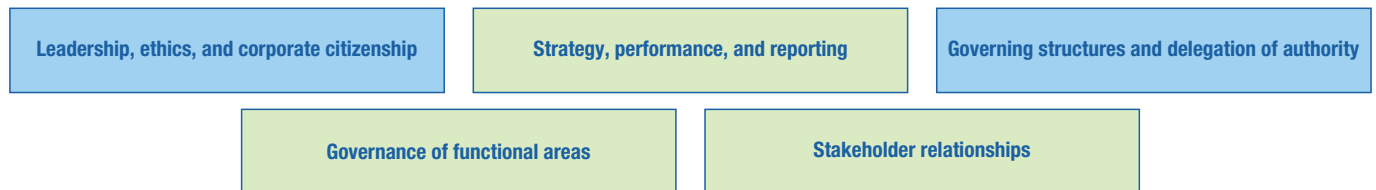


4. OUR GOVERNANCE

Corporate governance aligned to King IV principles

Giving effect to Corporate Governance Codes

The tables that follow are structured around the five core categories of King IV. These are:



In the tables, we show how the Fund has embraced and aligned to King IV Principles and the UK Corporate Governance Code in their efforts to achieve the spirit of what is intended by the five core categories above.

Principles 1–3: Leadership, Ethics and Corporate Citizenship



King IV principles and our activities

Principle 1 – The governing body should lead ethically and effectively.

Principle 2 – The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

Principle 3 – The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

Effective and ethical leadership

- The Board sets the tone for accountability, ethics, and integrity, acting in the best interests of all stakeholders.
- The Board implements procedures and guidance to deal with actual or potential conflicts of interest and at the beginning of each Board meeting. Directors have an opportunity to declare any interest that could result in a conflict of interest.
- Through the Fund's values, we commit to being ethical and honest, and thereby inspire trust in all our business dealings. The Fund has a formal ethics policy and code of conduct, as well as dedicated resources to embed requirements and investigate ethics and integrity concerns reported as endorsed by the Fund's "Whistleblowing Policy."

Corporate citizenship

- Sustainability is deeply rooted in our DNA, and our purpose-driven leadership model continues to place value creation for our stakeholders and wider society.
- Our objectives are focused on giving back to the community and promoting education, health, financial wellness/literacy, and the environment through our Corporate Social Investment Initiatives (CSI) in support of the Sustainable Development Goals (SDGs).

Outcomes

Desired outcome: Effective and ethical leadership, to be an organisation with an ethical culture, as well as being a good corporate citizen.

Effective and ethical leadership

- Continuous monitoring and reporting on the ethics performance of the organisation.
- Ethical leadership and transparency throughout the organisation.
- The values embodied by NSSF drive a sound culture and inform how we expect our employees and stakeholders to behave during their interaction with us.
- Ethics cases are investigated by Internal Audit in a confidential and timely manner and investigation reports are submitted to Management and the ARC for oversight.
- An external law firm (SIGNUM Advocates) was onboarded to manage the whistleblowing process.

Corporate citizenship

- The Fund is committed to acting in a manner that is responsible and transparent through the promotion of sustainable business practices, environment, employee, and community development, supporting the achievement of 11 prioritised SDGs.
- For NSSF, this means we are leveraging our business and policy expertise, data, and capital to help drive an inclusive recovery, expand access to economic opportunity and accelerate sustainability and climate solutions.
- Oversight of sustainability takes place through the Board SACA Committee.



Summary of the arrangements for leading ethically, effectively, and responsibly

- Disclosure of conflicts of interest.
- Performance evaluations of the Board, Board Committees, and members.
- Whistleblowing Policy.
- Code of business conduct and ethics.
- A governance structure with clear delegation of authority to ensure an ethical culture.
- Procurement policies and practices.
- Anonymous reporting of unethical behaviour.
- Our sustainability drivers are embedded in our strategy and focused on ensuring sustainability for our business, our customers, communities, society, the economy, and the environment.
- Commitment to prioritised UN SDGs.
- Water and Energy Management Policy.

Measures taken to monitor ethical, effective, and responsible leadership and how the outcomes were addressed

- Revisiting/reaffirming Committee terms of reference.
- Formalising action plans to address the areas of improvement identified and recommended by the external auditors and other investigative agencies.
- The Board and Executive Management set the tone for an ethical culture in the Fund.
- Staff are encouraged to report unethical behaviour without reprisal.
- Monitoring and investigation of ethics cases by Internal Audit.
- Ethics to promote an ethical culture is embedded in the NSSF HR Manual which is given to each staff member.
- The ARC monitors oversight of the implementation of the Ethics and Whistleblowing Policy and Code of Conduct.
- Annual environmental risk assessments on all Fund projects in partnership with the National Environmental Authority (NEMA).
- Specific targets to reduce energy, paper, and water consumption.
- Compliance with City Council Solid Waste Management Ordinance of 2000.

Key areas of focus during the reporting period

Inaugural ESG Report	
Main Board focus areas	
SACA	
ARC	

Planned areas of future focus

2023/2024 Main Board focus areas	
SACA outlook for 2024	
ARC outlook for 2024	



4. OUR GOVERNANCE

Principles 4–5: Strategy, Performance and Reporting



King IV principles and our activities

Principle 4 – The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

Principle 5 – The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short-, medium- and long-term prospects.

Strategy

- The Board is responsible for the strategic direction of the Fund and has provided an enabling governance framework to support management to achieve its strategic plan by 2025.

Performance

- Key performance measures are aligned to the strategic objectives which translate into an organisational scorecard, cascading into individual scorecards.

Reporting

- The Board ensures that it provides transparency to key stakeholders, both in good and tough times, by providing timely and balanced information, and in so doing, promotes stakeholders' confidence in the business. The NSSF reports the material results of its performance internally and to stakeholders. The Board is responsible for providing reporting guidelines regarding quality and depth of reports, meaningfulness, and relevancy to meet internal and external needs.
- We strive to give effect to the reporting requirements of the various leading practice codes/guidance/frameworks and good practice in our industry, etc.

See Our Report Overview, Reporting Frameworks.

Outcomes

Desired outcome: Optimised performance, value creation and sustainability.

Strategy

- The Fund has a clearly defined strategy incorporating Key Performance Indicators (KPIs) geared towards long-term value creation.
- Our sustainability drivers are embedded in our strategy to demonstrate our commitment to delivering on our prioritised SDGs and the environmental and social (ESG) impact we would like to make as a Fund.

Read more about Our Strategy and Performance Against Strategy

Performance

- The Fund continues to deliver excellent results in all metrics and we measure ourselves against these to ensure achievement of milestones and execution of strategy.

Reporting

Internal reports

- The Board and its Committees are supplied with complete and timely information from Management to enable the Directors to discharge their responsibilities.

External reports

- NSSF publishes an annual integrated report and audited financial statements to ensure all stakeholders remain informed. The integrity of the information included in the reports is overseen by the Board, with specific areas of reporting reviewed and challenged for appropriateness by the relevant Board Committees, as well as our Internal Audit and combined assurance functions.
- The Board ensures reporting of accurate, complete, and balanced information in the Integrated Report.
- Information related to the required disclosures appears in our Integrated Report. This includes matters relating to our strategy and detailed sections about our long-term goals, medium- to long-term targets, stakeholder engagement, governance approach and outlook. Additionally, our governance principles, including the King IV application are included in this chapter.
- Board training includes integrated reporting to deepen Directors' understanding of the requirements of the Integrated Reporting Framework.
- Integrated Reporting training is available to new Board members.

Summary of the arrangements for governing and managing strategy, performance, and reporting

- A ten-year strategy, supported by detailed Board strategic planning sessions.
- A fully integrated strategy, risk and opportunity and performance management process.
- Adequate budget and resources to deliver strategy.

Board assessment of the Fund's performance against the strategic targets and overall strategy.

Key areas of focus during the reporting period

- Board activities in support of strategy.
- Material matters
- Training acquainting the 12th Board of the Fund with the emerging trends of Corporate Governance.

Measures taken to monitor strategy, performance, and reporting and how the outcomes were addressed

- Regular strategy, objectives, and emerging risk consideration sessions.
- Annual targets and KPIs linked to strategic objectives.
- NSSF Strategy.
- Performance against Strategy.

The integrity of the information in the reports is overseen by the Board, with specific areas of reporting reviewed and challenged for appropriateness by the relevant Board Committees, as well as our internal audit and combined assurance functions.

As mentioned previously, the annual financial statements are audited by PricewaterhouseCoopers (PwC).

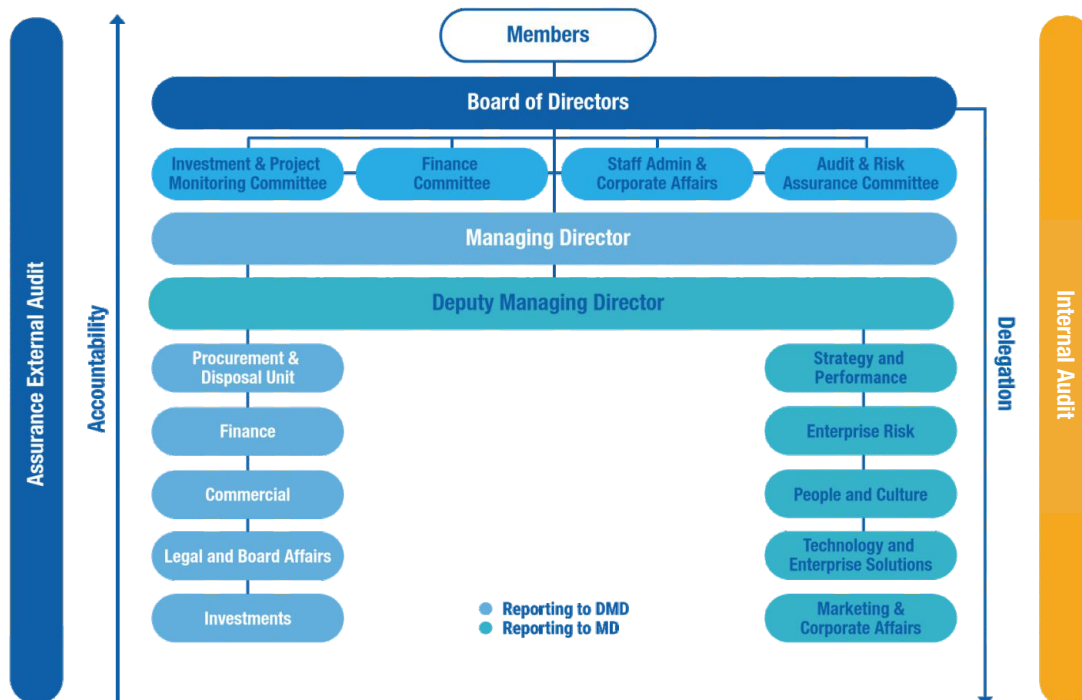
Planned areas of future focus – Main Board focus 2024.

Board activities 2022/2023 in support of the Fund's Strategy

Business Perspective	Key Issues Assessed	Broad Strategic Interventions	Definition of Success	Position in 2021/2022	Position in 2022/2023
Customer	<ul style="list-style-type: none"> • Customer experience (pain points due to data quality and manual processes) • Inadequate engagement with customers across the life cycle 	<ul style="list-style-type: none"> • Develop a new business model for the Fund to include market segmentation, innovation of products and customer growth. • Ubiquity in customer services channels • Increased self-service • Product Innovation 	<ul style="list-style-type: none"> • 95% customer satisfaction 	82%	88% Service quality has been maintained across all channels.
Finance	<ul style="list-style-type: none"> • Deliver a real rate of return on customer's savings • Improve options for financial protection 	<ul style="list-style-type: none"> • Continuous review and adjustment of the Fund's strategic asset allocation • Product innovations that deliver enhanced financial protection 	<ul style="list-style-type: none"> • Return of at least 10-year moving average of inflation +2% • UGX 20Tn AUM 	UGX 17.25Tn	UGX 18.56Tn Progress towards UGX 20Tn by 2025 is on track.
Processes	<ul style="list-style-type: none"> • Manual interventions in key customer processes. • Inadequate data quality for agile business decisions and deeper customer insights 	<ul style="list-style-type: none"> • Automation of all core business processes • Leveraging on partnerships using cross-reference to NIRA database • Full development of OctoPAS to enable straight through processing of claims 	<ul style="list-style-type: none"> • Pay customer benefits within 1 day • Update member statements in 24hrs 	12.3 days	11.9 days Benefits payment turnaround reduced due to the implementation of the Pension Administration System Close monitoring of the turnaround time and measuring the average time taken to process claims
Learning, Culture, Growth	<ul style="list-style-type: none"> • Progress maturity as a high-performing organisation • Become a talent magnet, and nurture talent • Improve staff work experience 	<ul style="list-style-type: none"> • Address key "hygiene factors" to improve work environment • Re-organise structure in line with process re-engineering to add more value to jobs (70:30) • Improve reward 	<ul style="list-style-type: none"> • 95% staff satisfaction rate 	92%	86% Employee satisfaction levels significantly reduced due to the changes with the Fund's structure, and this caused anxiety amongst staff

4. OUR GOVERNANCE

Principles 6–10: Governing Structures and Delegation



Principle 6: Primary Role and Responsibilities of the Board



King IV principles and our activities

Principle 6 – The governing body should serve as the focal point and custodian of corporate governance in the organisation

Outcomes

Effective governance structures

Roles and Responsibilities of the Board

- The Board bases its roles and responsibilities on the Board Charter, which stipulates the parameters within which the Board operates and ensures the application of the principles of good corporate governance in all its dealings. The Charter sets out the roles and responsibilities of the Board, its Committees and individual Directors, including its composition and relevant procedures of the Board. The Charter is aligned to the provisions of the UK Code and King IV Code on Corporate Governance
- As the custodian of good governance, the Board Charter is reviewed annually by the Fund, and provides minimum standards and guidelines for the Board in the execution of their duties

Responsibilities of the Board which are included in the Board mandate to fulfil the primary governing roles and responsibilities.

The Board of Directors are responsible for the Fund's vision, strategic direction, its values, and governance by providing effective leadership towards:

- Ensuring good governance of the Fund by enhancing its long-term sustainable success.
- Determining the Fund's strategic objectives and organisational values.
- Setting up appropriate governance structures for the management of the Fund's business operations.
- Setting responsibilities, performance targets and evaluating management performance.
- Ensuring that human resources are in place and oversees succession planning for senior management to meet its objectives.
- Establishing policies and processes to guide the legal compliance and delivery of services.
- Monitoring the management and implementation of plans and strategies on a quarterly basis.
- Carrying out a review of internal control policies, risk management and procedures and ensures their effectiveness.
- Approving and monitoring the progress of major investments (S.30 of the NSSF Act and 46(1) (b) of the URBRA Act), as applicable.
- Approving and monitoring major contracts, acquisitions, and disposals.
- Advising the Minister of Finance, Planning and Economic Development on the appropriate rate of interest to be declared on members' accounts.
- Ensuring ethical behaviour and compliance with the laws and regulations.

Role of the Non-Executive Directors

The responsibility of the Directors is to exercise their independent judgement in the best interest of the Fund and its members, by:

- Participating in all Board meetings to bring an independent judgement on strategic issues of the Fund.
- Taking the lead where potential conflicts of interests arise.
- Scrutinising and monitoring the Fund and management's performance in achieving agreed corporate goals.
- Making a positive contribution to the development of the Fund's strategy and policies through independent, ethical, and informed decisions.
- Engaging with senior management and other relevant parties, such as professional advisors, external or internal auditors and the Fund's legal department, to ensure that it appropriately addressed the various concerns and issues.

The Non-Executive Directors meet separately as and when required. During the year of review, they met to discuss the transition of management at the Fund and relevant succession planning.

STRATEGY IMPLEMENTATION 	POLICY, CHARTER, MANUAL REVIEW & APPROVAL 	STAKEHOLDER ACTIVITY 	CORPORATE GOVERNANCE
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Board activities in FY 2022–2023

JUL	AUG	OCT
<p>For period ending 30 June 2022 Finance Committee reviewed and discussed:</p> <ul style="list-style-type: none"> The Financial Report Update on the approval of the budget FY 2022/2023 Commercial Report Operations Report IT Report Procurement Report <hr/> <p>ARC reviewed:</p> <ul style="list-style-type: none"> The Legal and Board Affairs Report Internal Audit Report Risk Management Report <hr/> <p>IPMC reviewed:</p> <ul style="list-style-type: none"> The Investments Implemented Report Quarterly Investments Report The update on Property Management The update on Real Estate Projects <hr/> <p>SACA reviewed:</p> <ul style="list-style-type: none"> Staff updates Marketing update Contract renewals Updates on organisational redesign and change management 	<p>Extra ordinary SACA to review:</p> <ul style="list-style-type: none"> Contract renewal for 17 NSSF senior staff Update on organisation redesign Appeals of the Head of Internal Audit and Head of Risk Update on staff training and travel budget Review the Fund's succession plan Review of the Board Development Plan <hr/> <p>Ordinary full Board meeting to review reports from Committees</p> <hr/> <p style="text-align: center;">SEP </p> <hr/> <p>Review of the Draft NSSF Audited Financial Accounts FY2021/2022</p> <ul style="list-style-type: none"> Consideration of interest rate proposed for FY2021/2022 Received and reviewed the Management Letter Submission of proposed interest rate FY2021/2022 Staff appraisal moderation 	<p>For period ending 30 September 2022: Finance Committee reviewed and discussed:</p> <ul style="list-style-type: none"> Financial Report Business Report Operations Report IT Report Procurement Report <hr/> <p>ARC reviewed:</p> <ul style="list-style-type: none"> Legal and Board Affairs Report Internal Audit Report Risk Management Report The update on Property Management <hr/> <p>IPMC reviewed:</p> <ul style="list-style-type: none"> The Investments Implemented Report Quarterly Investments Report The update on Property Management The update on Real Estate Projects <hr/> <p>SACA reviewed:</p> <ul style="list-style-type: none"> Staff and marketing updates
<p>NOV </p> <ul style="list-style-type: none"> Full Board review of reports from Committees 	<p style="text-align: center;">DEC</p>	<ul style="list-style-type: none"> No activities undertaken

Board activities in FY 2022–2023

JAN	FEB	MAY
<p>6th extra ordinary Board meeting for FY2022/2023:</p> <ul style="list-style-type: none"> Consideration of the proposed amicable settlement of court cases between the Fund and Mrs. Geraldine Ssali Busuulwa Ratification of the budget revision <hr/> <p>7th extra ordinary Board meeting for FY2022/2023:</p> <ul style="list-style-type: none"> Review of the communication strategy of the Board Updates on pending Board resolutions <hr/> <p>8th extra ordinary Board meeting for FY2022/2023:</p> <ul style="list-style-type: none"> Consideration of the proposed responses to the Minister's letter dated 7 December 2022 Consideration and adoption of the Board communications protocol 	<p>Joint consultative meeting between the Board and NSSF management:</p> <ul style="list-style-type: none"> Lessons from the Parliamentary session on 1 February 2023 Updates (including from other investigating entities) Insights for the next 6 to 12 months <hr/> <p style="text-align: center;">MAR </p> <hr/> <p>2nd ordinary Board meeting for FY2022/2023:</p> <ul style="list-style-type: none"> Guidance on the final determination of the proposed UGX 6 billion provision in the FY2022/2023 budget <hr/> <p>Reviewed Q2 reports for period ending 31 December 2022:</p> <ul style="list-style-type: none"> Report of the SACA Report of the IPMC Report of the Finance Committee <hr/> <p>Update on Investee companies' responses to the Fund's Board nominees.</p> <hr/> <p>Review of Board Training/Conference Reports and recommendations.</p>	<p>2nd special meeting of the Board: Briefs on the prevailing legal claims on Fund properties:</p> <ul style="list-style-type: none"> Lubowa Temangalo Bwebajja Nsimbe <hr/> <p>3rd ordinary Board meeting to review Management Reports for FY2022/2023:</p> <ul style="list-style-type: none"> Updates from the Chairman on Board training and nominations in the quarter Ratification of the circular resolution to approve the Fund Strategy FY2023/2024 The Finance Committee recommendation on the proposed Budget for FY2023/2024 Report of the Finance Committee Q3 Report of the IPMC Q3 Report of the SACA Q3 Consideration of the ARC Q3 Updates on the status of Board nominations to various Fund Investee companies Consideration of Board Training/Conference <hr/> <p>Reports and recommendations: The Zambia East and Central Africa Social Security Association (ECASSA).</p>
<p>APR</p> <p>No activities undertaken</p>		
<p>JUN</p> <p>No activities undertaken</p>		

4. OUR GOVERNANCE

The Board action plan for 2023/2024 will cover the following areas:

- Achieving a technology-driven strategy in a balanced portfolio of pragmatic investments.
- Ensuring that the Fund achieves a stable but agile culture.
- Operationalising the NSSF Amendment Act 2022 to ensure that members' needs in terms of new products and easy access to benefits is enhanced.
- Diversifying the Fund's investment portfolio.

Principle 7: Composition of the Board



King IV principles and our activities

Principle 7 – The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity, and independence for it to discharge its governance role and responsibilities objectively and effectively.

Outcomes

Effective governance structures

A diversified and balanced Board

The Board comprises Directors with a wide variety of skills and experience to effectively lead the strategic direction of the Fund. The 12th Board is diverse and balanced.

Independence

As of 30 June 2023, eight of the Non-Executive Directors were independent as defined in the governance codes and our Board Charter which represents 88% of the Board.

Directors are required by the Board to be independent of Management and free from any business relationship or other circumstance that could materially interfere with objectivity, unfettered or independent judgement. The independence of each Director is assessed annually by the Board as part of its annual Board Effectiveness Review and in conducting its current assessment, it was concluded that all Directors continue to bring strong independent oversight and demonstrate those qualities and behaviours it regards essential to be considered independent as set out in their terms of reference and Board Charter.

Board composition and tenure

The Board of Directors/Trustees is the governing body of the Fund and accountable for reviewing, evaluating, and directing the Fund's strategic plan and objectives.

The Board is headed by the Chairman and consists of:

- Ten Directors appointed for a three-year renewable term in line with the NSSF Act cap 222 (amended).
- Directors who represent each of the key stakeholder groups of members, employees, employers, and government, and include:
 - One Executive Director (ex-officio); and
 - Nine Non-Executive Directors.

The Chairman is independent and in line with best practice, his roles are separate from those of the Managing Director.

Board appointments and resignations

The Minister responsible for Social Security, currently the Minister of Gender Labour and Social Development, appoints Directors for a three-year renewable term. Appointment of Directors is subject to a due diligence and approval of the Regulator (URBRA), as applicable. The MD is recommended by the Board and appointed by the Minister. Under section 3(4) of the NSSF Act, a Director may, by writing in his/her own hand a letter addressed to the Minister of Gender, resign his/her office.

During the year under review, Mr. Patrick Micheal Ayota was appointed to the Board as an Executive Director in an acting capacity following the end of tenure of Mr. Richard Byarugaba's contract.



Board Composition

Chairperson

Dr. Peter Kimbowa

Executive Director

Patrick Micheal Ayota

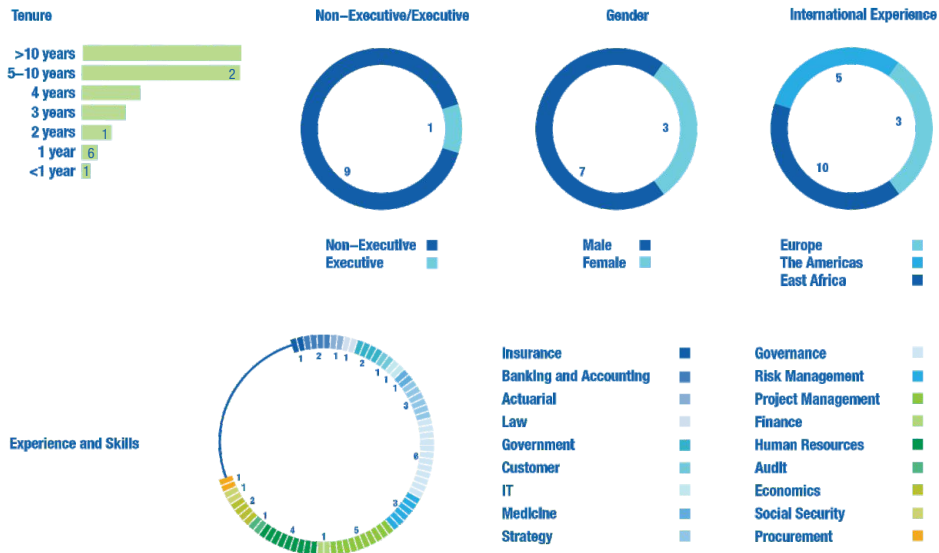
Non-Executive Directors

Patrick Ocailap
Aggrey David Kibenge
Peninnah Tukamwesiga

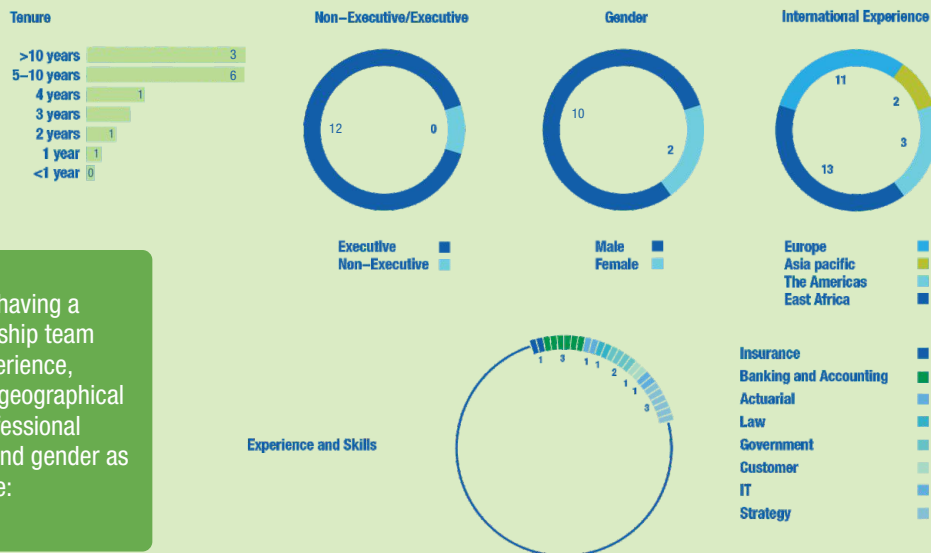
Annet Nakawunde Mulindwa
Silver Mugisha
Sam Lyomoki

Annet Birungi
Lwabayi Mudiba Hassan

Board skills and experience



Executive Committee skills and experience



We believe in having a diverse leadership team regarding experience, skills, tenure, geographical expertise, professional background, and gender as illustrated here:

Director induction, training, and development

- The Board considers that the development of industry and Fund knowledge is a continuous and ongoing process. Upon joining the Fund, each Director undertakes an induction programme to further their understanding of the nature of the Fund, its business, and the environment in which it operates, and enhance their knowledge of the Fund's operations and staff. The induction programme is tailored to each new director, depending on individual experience and background.
- The Corporation Secretary maintains the Directors' annual training records for regular review by the Board.

In addition to Directors' attendance at meetings and review of relevant materials provided by Management during the year, they attended professional training to enhance their skills and knowledge as set out below:

4. OUR GOVERNANCE

Principle 7: Composition of the board

Board training and attendance		
<p>Board Advisory NSSF–International Board Excellence Programme</p> <p>3 – 6 October 2022</p>	<ul style="list-style-type: none"> • Peter Kimbowa • Annet Birungi • Aggrey David Kibenge • Lwabayi Mudiba Hassan • Peninnah Tukamwesiga • Sam Lyomoki • Silver Mugisha • Richard Byarugaba 	<p>The programme was specifically designed to support the NSSF board of directors in the execution of their fiduciary responsibilities. Following the conclusion of the programme, Board Advisory designed a number of supporting interventions to assist the Board on its ongoing journey to Board Excellence. The key outcomes of the training were:</p> <ul style="list-style-type: none"> • Individual director coaching – 6 hours available per month. • Board mentoring panel – once every quarter online. • Board workshop – once every quarter in Uganda.
<p>World Social Security Forum Board and Management Strategy Session</p> <p>24 – 28 October 2022</p>	<ul style="list-style-type: none"> • Peter Kimbowa • Annet Mulindwa • Patrick Ocaïlap • Agnes T. Isharaza • Allan Munabi • Muhammad Kasumba • Faith Achieng • Richard Byarugaba 	<ul style="list-style-type: none"> • The World Social Security Forum (WSSF) took place in Marrakech, Morocco from 24–28 October 2022, hosted by CDG Prévoyance. • Organised by the International Social Security Association (ISSA) every three years, the Forum is the most important international event regarding social security. • The WSSF highlighted the key role of social security for resilience and inclusive societies and gathered the global social security community to review reform strategies. In addition, it highlighted global institutional innovations towards sustainable, adequate, well-governed and accessible social security systems. • The forum outcomes were enhanced by the launch of a new ISSA global report on priorities for social security, analysing social security strategies in the context of a new normal, rapid labour market transformations, demographic change and accelerated technological developments.
<p>Advanced Auditing for Board Members of the National Social Security Fund, Uganda</p> <p>17 October – 5 November, 2022</p>	<ul style="list-style-type: none"> • Sam Lyomoki • Peninnah Tukamwesiga • Annet Birungi • Lwabayi Mudiba Hassan 	<ul style="list-style-type: none"> • 21st Century Internal Audit and the Advisory Role • Establishment of an audit department, roles and scope • Review of International Standards for the Professional Practice of Internal Auditing (ISPPA) • Code of ethics of internal auditors • Performance audit • Internal Audit Charter • Information systems auditing and cybercrime • Planning, conducting and review of an audit • Risk based internal auditing • Writing an effective internal audit report • Assessing the performance of the audit department • Servicing the Board of Directors' Audit Committee • Understanding the role of an Audit Committee in a rapidly changing world • Financial reporting oversight practices

Continuous professional development programme

As part of the Continuous Professional Development Programme, the Board members from time to time receive presentations from senior executives in the Fund on significant matters. The Fund also arranges appropriate regional branch visits and seminars covering the Fund's operations, the industry and governance matters for the Directors to facilitate their understanding of the Fund business and risks associated with the Fund's operations.

The Board and Management also periodically meet to discuss the strategy of the Fund and how best it can be aligned to the needs of the members. Continuous development of the Board and Management remains a key area in a bid to improve corporate governance. This has enhanced the level of reporting by Management to the Board, thus strengthening leadership capability and focusing on strategic issues.

The Assurance Departments continue to work together to strengthen collaboration of the assurance functions in executing their assurance roles, but at the same time not impairing their independence.

Board/Management relationships



The Board appoints the Fund's senior management/Executive Committee. The Board is responsible for succession planning for key management roles. During the year, the Board considered and approved the contract renewal of senior managers.

The Board further reviewed the management composition and succession planning to ensure that the successors for key roles, including that of the MD and Deputy MD, are identified and their performance assessed.

Principle 8: Board Committee Oversight



King IV principles and our activities

Principle 8 – The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties.

Outcomes

Effective governance structures

Board Committees

- The Fund's governance structure enables interaction between Management, members, and the Board.
- The Board conducts its base duties through four Committees. These Committees have delegated responsibility to assist in specific specialist matters on a collaborative basis and provide reports of their activities and recommendations to the Board on a quarterly basis or as often as is necessary.
- The Board has discussed and is yet to establish a Governance Committee to oversee succession planning of the Board and ESG issues.

The Board has four standing Committees: Staff Administration and Corporate Affairs Committee, Finance Committee, Investments and Project Monitoring Committee and the Audit and Risk Assurance Committee. Each Committee has formal and approved terms of reference stipulated in the Board Charter.



The Committees' functions are for purposes of review, oversight, and monitoring. Their duties include investigating and analysing the relevant information and then reporting back with recommendations to enable the Board to make appropriate decisions.

The constitution, focus, activities, and outlook for each of the Board Committees are outlined below:

Audit and Risk Assurance Committee (ARC)



Chairperson

Annet Nakawunde Mulindwa

Members

Annet Birungi

Peninnah Tukamwesiga

Sam Lyomoki

Professional Advisors

Albert Richards Otete

The Committee comprises only Non-Executive Directors and the MD only attends by invitation. The Head of Internal Audit reports directly into this Committee which ensures independence of the Internal Audit function. The Corporation Secretary is the secretary of the Committee, the Head of Enterprise Risk Management and Head of Internal Audit may attend meetings upon request as ex-officio members.

The Committee assists the Board to effectively discharge its oversight responsibilities for financial reporting, risk management, internal controls, internal and external audit, regulatory compliance, and governance.

The ARC, on behalf of the Board, undertakes detailed monitoring of internal controls through the Internal Audit function. The Board has reviewed the system of internal control, including financial controls, for the year under review up to the date of approval of this Integrated Report.

4. OUR GOVERNANCE

FY 2022/2023 ARC activities

The Committee focused its attention on:

- Regulatory challenges, and trends of litigation.
- Information security and business continuity planning and management.
- Improvement of capabilities to identify and assess emerging risks.

ARC Committee's key activities in FY 2022/2023 included oversight, review, and approval of:

- The Quarterly reports of the Internal Audit, Enterprise Risk Management, Legal and Board Affairs departments.
- The external audit plan for FY 2022/23 and the related scope of work.
- The Internal Audit Annual Plan and BSC for FY2023/2024.
- The changes to the Information Security Management Policy.
- The Terms of Reference for the ARC Consultant.
- The financial statements, external audit report and management letter FY2022/2023.

Key focus areas for FY 2023/2024:

- Monitor compliance with all the internal and external policies and frameworks.
- Monitor progress with the implementation of recommendations of the internal and external audits.
- Enhance the scope of the Internal Audit function to make it more comprehensive.
- Embedding risk evaluation and profiling all projects to be undertaken.
- Enhance the independent position of the Enterprise Risk Management function.
- Enhance due diligence and accountability.
- Skills improvement of the Internal Audit team to align with the new trends and/or developments.



Key engagements and considerations:

- Engagements were held between the Chairperson of the ARC and the Head of Internal Audit in confidence to appraise him on audit matters.
- The ARC met with the external auditors (PwC) at the beginning of the audit and discussed the scope of their work, assessment of their independence, audit plan, findings, and recommendations of the previous audit.
- The Committee considered the issue of unallocated contributions as a significant finding by the External Auditors.
- The Fund consistently reviews all contributions and reconciles these positions on a daily basis. We continue to sensitise all our customers to use of the Transaction Reference Numbers for ease of identification and allocation of member Funds.
- The ARC ensures that the audit plan encompasses a review of the IT systems and the general IT controls that are relied on for financial reporting. No significant lapses were identified by the Auditors during their review.

Risk oversight



Capital Impacted



Stakeholders Impacted



The Committee is satisfied that it has fulfilled its mandate as set out in the Committee's terms of reference and work plan as required in the Board Charter during the period under review.



Investments and Project Monitoring Committee (IPMC)

Chairperson

Patrick Ocailap

Members

Annet Birungi
Silver Mugisha
Lwabayi Mudiba Hassan

Patrick Ayota (since 02 December 2022)
Richard Byarugaba (until 01 December 2022)

Professional Advisors

Kenneth Ssemwogerere
Felix Okoboi

The Investments and Project Monitoring Committee (IPMC) of the Board is responsible for assisting the Board to fulfil its oversight responsibility as provided under Section 30 of the NSSF Act as amended, which states:

“All monies in the Fund, including the reserve account, which are not for the time being required to be applied for the purpose of the Fund shall be invested in such investments as may be determined by the Board in consultation with the Minister.”

The main responsibilities of the Committee include:

- Providing a deeper understanding of investment activities to the Board.
- Reviewing, analysing and recommending all investment proposals to the Board for consideration.
- Recommending an investment strategy, policies, and guidelines to the Board for approval.
- Reviewing and recommending investments in equities, fixed income and real estate and the associated budgets to the Board.
- Reviewing and recommending investment design concepts and master plans to the Board or changes thereto.
- Reviewing performance of real estate projects, equities, and fixed income on a quarterly basis, in line with set targets and make recommendation to the Board.
- Reviewing the performance of the Fund Managers and make recommendations to the Board.

IPMC's key activities in FY2022/2023 included review, analyse, monitor, and recommend to the Board:

- The domestic and regional economic trends and their implications for the Fund's investment strategy.
- The quarterly update on the real estate projects.
- The off-taker project contract.
- The performance of the Board Consultants.
- The quarterly reports on investments implemented.
- The updates to the Investment Policy Statement (IPS) and Investments Manual.
- The proposed changes in real estate sales terms.
- The quarterly property management updates.
- The quarterly investment reports.

Challenges and key lessons learned during FY 2022/2023:

- Significant unrealised foreign exchange losses during year affecting the return on investments.
- Multiplicity of probes on Fund activities caused delays and/or disruptions to implementation of investments. In addition, the Fund could not initiate any new investment proposals during the investigations, some of which are still ongoing.

Key focus for the following year FY 2023/2024:

- Prioritise the delivery of the Unit Trust Model to respond to the expanded mandate to voluntary savings product under the amended NSSF Act.
- Explore the establishment of wealth management unit and make recommendations to the Board.
- Review the strategic asset allocation to include portfolio diversification to enhance returns and make recommendations to the Board.
- Actively pursue Private Public Partnerships. In addition, pursue partnerships with Government of Uganda especially through infrastructure bonds.
- Explore affordable housing options for the low-income segment of the population.

Capital Impacted



Stakeholders Impacted



The Investments and Project Monitoring Committee of the Board complied with its mandate for the year under review. All scheduled meetings were held.



4. OUR GOVERNANCE



Finance Committee

Chairperson

Silver Mugisha

Members

Patrick Ocailap
Aggrey David Kibenge
Lwabayi Mudiba Hassan

Patrick Ayota (since 02 December 2022)
Richard Byarugaba (until 01 December 2022)

The role of the Finance Committee of the Board is to assist the Board to fulfil its oversight responsibility and mandate in the following key areas:

- Determination of the annual and supplementary budget which involves making and submitting to the Minister, for approval, estimates of the Fund's income, its capital recurrent, and other expenditures likely to be incurred for the ensuing year.
- Review and approval of the audited financial statements prepared by Management.
- Review provisions of proper books of accounts and records with respect to the Fund's financial transactions, assets, and liabilities.
- Recommendation of the interest rate for declaration depending on the Fund's realised income.
- Effective financial management of the Fund and its assets.
- Review of the Fund's accounting policies and principles.
- Reviews of allocated departmental policies and strategies.
- Oversee implementation of strategies and projects.



The Departments the Committee has oversight of are Finance, Commercial, Technology and Enterprise Solutions, and Procurement and Disposal.

The Finance Committee's key activities in FY 2022/2023 included review, monitoring, and recommendation of:

- The proposed interest for FY 2022/2023.
- The financial performance for the FY 2022/23 NSSF Budget and proposed Budget for the FY 2023/2023.
- The strategic targets for the Fund and alignment of performance measurements.
- The assurance of the integrity of the financial statements and other information to ensure that they represent a clear and accurate assessment of the Fund's position and performance.
- The Fund's procurement contracts.
- Quarterly departmental updates.
- The Commercial Department's policy update in line with amendment of the NSSF Act Cap 222 (amended).

Challenges and key learnings for FY 2022/2023:

- Multiplicity of investigations into the affairs of the Fund's caused several disruptions.
- Significant unrealised foreign exchange (FX) losses during the year.

Learnings

- Following the investigations, the Committee learnt that extra care should be taken when exercising their oversight function.
- The Committee also reassured Management of the Board's full support as long as they act prudently, in good faith, and with due care in executing their mandate.
- The Committee has embarked on conducting a prompt post investment risk analysis.

Key focus for the following year FY 2023/2024:

- New opportunities to increase coverage of the Fund due to the amendment of the NSSF Act.
- New regulations and policy amendments to enable implementation of the amended law.
- Improving of productivity and efficiency through technology enhancement.
- Budget monitoring and compliance.
- Overseeing management of collaborative partnerships to ensure value for the members.

Capital Impacted



Stakeholders Impacted



The Finance Committee of the Board complied with its mandate for the year under review, and all the scheduled meetings were held.



Staff Administration and Corporate Affairs Committee (SACA)

Chairperson

Sam Lyomoki

Members

Peninnah Tukamwesiga Patrick Ayota (since 02 December 2022)
 Annet Nakawunde Mulindwa Richard Byarugaba (until 01 December 2022)
 Aggrey David Kibenge

The SACA of the Board is responsible for the following key areas:

- Overseeing the effective and efficient administration and management of the Fund by establishing appropriate policies regarding staff, administration, and corporate affairs.
- Reviewing and recommending an appropriate organisational structure and staff establishment to ensure that it is resourced by competent and well-motivated staff to execute strategy.
- Overseeing the management of corporate services such as marketing, public relations, transport, and records.

During the FY2022/2023, SACA held meetings where they considered several activities for recommendation to the Board.



SACA Committee's key activities in FY 2022/2023 included the following:

- Handle transition – contract approval of MD, DMD and Senior Managers.
- Interviews for the Head of Strategy (EXCO) – new position.
- Salary reviews, staff appraisal and performance bonus recommendations.
- Monitoring organisational redesign to ensure harmony.
- Approval of the human resources policies manual and other policies.
- Reviewed the balanced scorecard (BSC).
- Monitoring staff wellbeing and equity.
- Improve and harmonise gender inclusion at the Fund.
- Talent management and reskilling of staff.
- Monitoring and supervision of the Fund's communication policies.
- Supervision of the literacy campaigns.
- Monitoring staff and customer satisfaction.
- Monitoring performance of the brand of the Fund.
- Budget reviews (before submission to the Finance Committee).
- Held the Annual Members Meeting.

Challenges during FY 2022/2023:

- Anxiety among staff and stakeholders because of the organisational redesign.
- Transition challenges.
- Negative tonality because of unfulfilled expectations with regards to midterm access for unqualifying members.
- Multiplicity of investigations of the Fund by various statutory agencies.

Key focus for the following year FY 2023/2024:

- Agile organisation with a clear and shared purpose.
- Improve rewards and benefits for staff.
- Aggressive stakeholder management.
- Gender diversity at management and mid management level.
- Improve staff wellbeing.
- Monitor and oversee organisational structural changes.
- Completion of upskilling of staff.
- Oversight of talent management and retention.

Capital Impacted



Stakeholders Impacted



The Staff Administration and Corporate Affairs Committee of the Board complied with its mandate for the year under review. All the scheduled meetings were held.

4. OUR GOVERNANCE

Consideration of additional Board Committees in FY 2023

In aligning to King IV principles, the Fund considered the formalisation of an Environmental, Social and Governance (ESG) Committee during the reporting period, however, it is confident that the current governance structures have sufficient oversight of the following responsibilities:

Responsibilities	NSSF Board Committee oversight
Social and economic development <ul style="list-style-type: none"> • Anti–corruption and bribery • Staff wellness • Human rights • Promotion of equality • Anti–money laundering 	Staff and Corporate Affairs Committee Audit and Risk Assurance Committee
Ethics <ul style="list-style-type: none"> • Monitoring of reported ethics cases and investigations 	Audit and Risk Assurance Committee
Environment <ul style="list-style-type: none"> • Responsible consumption • Impact of Fund operations on the environment • Impact of investee companies on the environment 	Investments and Project Monitoring Committee
Stakeholder engagement and management <ul style="list-style-type: none"> • Relationships with key stakeholders both internal and external 	Staff and Corporate Affairs Committee
Sustainability and community development <ul style="list-style-type: none"> • Development of communities through CSI activities 	Staff and Corporate Affairs Committee

Board and Board Committee meeting attendance

The Chairman shall preside at all meetings of the Board, but in his absence any member appointed on his behalf by the members present shall preside. The Board shall meet for the discharge of its functions at least once every three months at such time and place as the Chairman may appoint or upon the request of a majority of the Board members.

Decisions of the Board shall be taken by a simple majority of the members present and voting, with the person presiding having a casting vote.

Section 5 (5) NSSF of the Act empowers the Board to invite or co–opt any person to attend any Board meeting or be consulted as an independent advisor, but such a person shall not vote on any matter being decided by the Board at that meeting. The Board shall determine the area or field where professional advice is required. Management follows the PPDA rules and regulations to engage the advisors so required. Management therefore co–opted the services of Engineer Kenneth Ssemwogerere and Mr. Felix Okoboi as Investment and Project Monitoring Committee Advisors together with Mr. Albert Richards Otete as the Audit and Risk Assurance Committee Advisor.

Directors	Board		Investment and Project Monitoring Committee (IPMC)		Audit and Risk Committee (ARC)		Finance Committee		Staff and Corporate Affairs Committee (SACA)	
	Name	Number of meetings	Attendance rate	Number of meetings	Attendance rate	Number of meetings	Attendance rate	Number of meetings	Attendance rate	Number of meetings
Peter Kimbowa	8/9	89%	N/A	–	N/A	–	N/A	–	N/A	–
Patrick Ocailap	7/9	78%	4/4	100%	N/A	–	3/4	75%	N/A	–
Aggrey Kibenge	8/9	89%	N/A	–	N/A	–	4/4	100%	6/6	100%
Silver Mugisha	8/9	89%	4/4	100%	N/A	–	4/4	100%	N/A	–
Sam Lyomoki	9/9	100%	N/A	–	4/4	100%	N/A	–	6/6	100%
Annet Birungi	9/9	100%	4/4	100%	4/4	100%	N/A	–	N/A	–
Peninnah Tukamwesiga	9/9	100%	N/A	–	4/4	100%	N/A	–	6/6	100%
Annet Nakawunde Mulindwa	7/9	78%	N/A	–	4/4	100%	N/A	–	6/6	100%
Lwabayi Hassan Mudiba	9/9	100%	4/4	100%	N/A	–	4/4	100%	N/A	–
Richard Byarugaba	3/3	100%	1/1	100%	N/A	–	1/1	100%	1/1	100%
Patrick Ayota	3/3	100%	3/3	100%	N/A	–	3/3	100%	4/4	100%
Overall attendance rate		93%		100%		100%		96%		100%

NOTE: Following the end of the contract of Mr. Richard Byarugaba as Managing Director on 01 December 2022, the Deputy Managing Director, Patrick Ayota, was appointed as caretaker of the office until the process for the appointment of the Managing Director was concluded. He attended the Committee meetings and full Board meetings in that capacity.

The Board held three Non-Executive Board member meetings on 1 December 2022, 17 January 2022 and 16 March 2023 to independently consider Board matters pertinent to the Fund and consideration of the appointment of the Managing Director independently.

Principle 9: Evaluation and performance of the Board



King IV principles and our activities

Principle 9 – The governing body should ensure that the evaluation of its own performance and that of its Committees, its chair, and its individual members, supports continued improvement in its performance and effectiveness.

Outcomes

Effective governance structures

Board evaluations

- Performance evaluation of the Board to assess effectiveness is conducted annually and recommendations are discussed and implemented in the subsequent year.

Board Committees

The Board is committed to continuous improvement and evaluates its performance. The Charter stipulates that the Board of Directors will conduct evaluations to determine whether the Board and its Committees are functioning effectively in terms of discharging their mandate as per the Board Charter and in line with leading practices on corporate governance. The Board evaluates its performance through a combination of both internal peer and external facilitated assessments.

In the year of review, the Board concentrated on implementing the recommendations of the external facilitator done in the previous year and engaged in performance reviews that were conducted by the Board Chairperson and Committee Chairpersons. The Board reviewed the recommendations of the past evaluation and embarked on implementing the following initiatives to address the areas of improvement:

Areas for improvement	
Gender balance and diversity	<ul style="list-style-type: none"> • The Board was reconstituted to strengthen its gender balance and diversity, covering varying competencies. The Board currently has three female members on the Board, and this will also be reflected at all levels to ensure gender parity.
Succession planning	<ul style="list-style-type: none"> • The Board identified suitable replacements for the positions of Managing Director and Deputy Managing Director which have since been implemented.
Channels for staff to obtain assistance with ethics issues	<ul style="list-style-type: none"> • Following a recommendation to improvise channels for employees to engage the Board on ethical issues, channels have been created through which employees can engage with the Board on ethical issues: <ul style="list-style-type: none"> – An external firm was onboarded to create an ethics hotline through which anonymous reports on unethical behaviour can be reported without fear of victimisation. – Continuous regional branch visits by the Board and EXCO to promote their interaction with staff as well as obtain feedback from members.

Principle 10: Appointment and Delegation to Management



King IV principles and our activities

Principle 10 – The governing body should ensure that the appointment of, and delegation to, Management contribute to role clarity and the effective exercise of authority and responsibilities.

Outcomes

Effective governance structures

Governance structure

The Fund's governance structure is illustrated in the NSSF Governance Structure diagram and shows the interaction between the members and the Board, demonstrating how the Board Committee structure facilitates the relationship between the Board and the MD and indicates the flow of delegation from members. We have robust processes in place to ensure that the delegation flows through the Board and its Committees to the MD and EXCO into the organisation. At the same time, accountability flows upwards from the Fund to its members. This process helps to ensure alignment and open communication with our members and all our stakeholders.

Appointment and delegation to Management

- Management, led by the MD, have the authority to manage and control the day-to-day affairs of the Fund in relation to matters other than those reserved for the Board.
- We have robust processes in place to ensure that the delegation flows through the Board and its Committees to the MD and EXCO into the organisation. At the same time, accountability flows upwards from the Fund to its members. This process helps to ensure alignment and open communication with our members and all our stakeholders.

Board Chairman

The Chairman, Dr. Peter Kimbowa, is an Independent Non-Executive Director and was appointed on 1 September 2021.

The Chairman's role includes:

- Leading the Board and ensuring overall effectiveness, operating to the highest governance standards.
- Encouraging a culture of openness and debate to foster a high-performing and collegial team.
- Ensuring strategic issues, members and the relevant stakeholder views are regularly reviewed, understood, and responded to.
- Facilitating the relationship between the Board and the MD and providing oversight, guidance, advice, and leadership.
- Ensuring control over the quality and timeliness of information flow between the Board and Management.
- Setting agendas for meetings of the Board that focus on the strategic direction and performance of the Fund's business.
- Ensuring that adequate time is available for discussion on all agenda items.
- Leading the Board and individual Director Performance Assessments.
- Speaking and acting for the Board and representing the Board to members.

Managing Director

The MD is the Chief Executive Officer of the Fund and is subject to the NSSF Act (amended) and to the general control of the Board on matters of policy, responsibility for running the day-to-day business of the Fund, general management, administration, and organisation of the Fund. He also ensures the strategies and policies set by the Board are implemented. The MD, Patrick Ayota, is the only Executive Director (ex officio member) on the Board and has been a Board member since December 2022.

Corporation Secretary

The Corporation Secretary, Ms. Agnes Tibayeita Isharaza was appointed by the Minister of Finance, Planning and Economic Development in line with Section 41 of the NSSF Act and has been in the role since 1 April 2019. In addition to any other functions conferred upon her by the Minister and the Board, the Corporation Secretary has the custody of the seal of the Fund and is responsible for:

- Ensuring crucial information flows within the Board and its Board Committees and between Management and the Board.
- Facilitating the orientation and professional development required by the Board.
- Taking minutes of the meetings of the Board and any of its Committees and Subcommittees.
- Keeping the records of all transactions of the Fund.
- The provision of legal advice on all Fund activities.
- Advising the Board on all governance matters.
- Keeping the Board aware of relevant changes in legislation and corporate governance best practice.

As of 1 July 2022, the title of the Corporation Secretary changed to Chief Legal Officer/Corporation Secretary. Responsibilities and accountabilities remain the same.

Principles 11–13: Governance of Functional Areas



King IV principles and our activities

- Principle 11** – The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.
- Principle 12** – The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.
- Principle 13** – The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation in being ethical and a good corporate citizen.

Desired Outcome

Adequate and effective controls through risk, technology and information, compliance, and assurance governance.

Risk governance

- The Board of trustees is mandated to ensure good corporate governance and effective risk management in the Fund. The Board exercises this mandate through its Committees which include the IPMC, Finance Committee, SACA, and the ARC, which oversees risk management and the integrity of financial reporting.
- Through the ongoing materiality determination process, material matters, and emerging risks are identified which could significantly impact the Fund's business model and ability to deliver value in the short-, medium- and long-term.

Read more about Our Risk and Opportunity Management

Technology and information governance

- As part of the Board Charter, the Board has oversight of the Information and Technology Policy, systems, and strategies. The Finance Committee is mandated to assist the Board in fulfilling its oversight responsibility for technology governance.
- With the accelerated digitalisation strategy and ongoing quest to improve efficiency of operational processes and communication through automation and use of digital platforms, the Fund has invested heavily in information security.
- The Fund has implemented the Pension Administration System (OctoPAS).

Compliance governance

- The Fund is committed to complying with all the relevant legislation, especially prudential regulation.
- The Board oversees compliance with legislation, regulations, and codes of best practice governing the retirement benefits sector through the ARC.
- The Board has established policies and processes to guide legal compliance and delivery of services.

See the Regulators Report

Risk governance

- Risk management is regarded as an integral part of business activities.
- Effective risk management protects and creates value for the Fund in identifying both risks and opportunities.
- Cyber Security and Information security risk is an integral part of the business.
- To achieve effective risk management, and a robust control environment, the three lines of defence model is a key component to ensure a clear separation of roles between risk-taking functions and risk-control functions.

Technology and information governance

- Appropriate preventative, detective, and corrective controls have been implemented, and the strength of the security infrastructure is continuously evaluated through penetration tests and vulnerability assessments.
- Uninterrupted IT services and system stability.

Compliance governance

- The Fund continuously monitors the status of regulatory relationships to enhance proactive engagement across key regulatory changes and areas of focus.
- Highest standards of sound governance, including transparency, accountability and fairness to its members, the Regulators, and all our stakeholders.
- Management continuously monitors its compliance with the key regulations through its quarterly reports to the Board.



Summary of the arrangements for governing risk and opportunities, technology, information, and compliance

- The ARC assumes responsibility for the governance of risk and opportunity management and compliance.
- ARC, on behalf of the Board, ensures oversight over the governance of risk by setting the direction for how the Fund's risk and opportunity management should be approached and addressed.
- Risk appetite dashboard includes both risks and opportunities and is set to ensure that the company achieves its strategic and financial objectives.
- Enterprise-wide Risk Management Framework and policy.
- Combined Assurance Model.
- A Board approved Compliance Management Policy and Manual.
- Compliance monitoring.
- The Finance Committee assumes responsibility for technology and information governance.
- Formalised IT governance strategy.
- IT Governance Framework.
- IT governance audits.

Key areas of focus during the reporting period

- ARC
- Finance Committee

Measures taken to monitor risk and opportunity management, technology, information, and compliance and how the outcomes were addressed

- Independent assessment of top risks on a regular basis by the Board.
- Oversight of the Strategic Risk Register.
- The Board oversees implementation of Strategic Projects.
- The Board receives summary reports from the ARC and Finance Committee.
- The Board monitors key legislative and regulatory obligations and Fund compliance thereof.

Planned areas of future focus

- ARC focus 2024
- Finance Committee focus 2024

4. OUR GOVERNANCE

Principle 14: Remuneration Governance



King IV principles and our activities

Principle 14 – The governing body should ensure that the organisation remunerates fairly, responsibly, and transparently to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term.

Desired Outcome

Governance of fair, responsible, and transparent remuneration.

The Board, through the Staff Administration and Corporate Affairs Committee has established human resource policies governing the terms and conditions of employment, remuneration, training, promotions, discipline, and other benefits which are fair and will attract, motivate, and retain high calibre staff. For more details see our Remuneration Report.

- The reward and remuneration structures are linked to KPIs defined under each strategic objective, ensuring performance is linked to business performance as well as individual performance, thereby promoting a high-performance culture and achievement of strategy.
- Sustainable reward is carried out responsibly and the Fund's reward framework is flexible to meet the changing needs of both the business and economy.

Summary of the arrangements for governing remuneration

Remuneration and Employment Policy.

Non-Executive Director Remuneration Policy.

A SACA to ensure fair, responsible, and transparent remuneration practices.

Quarterly remuneration reporting to SACA.

Remuneration benchmarking.

Measures taken to monitor remuneration and how the outcomes were addressed

- Board receives summary reports from SACA.
- The Board approves business targets at the beginning of every financial year and reviews the results at the end of the year before making a final decision regarding payment of any incentives.

Refer to our Remuneration Report below

Key areas of focus during the reporting period

SACA

Planned areas of future focus

SACA focus 2024



Remuneration Report

The Board of Directors is committed to retaining the talented Executives and employees while ensuring that their stay at the Fund is wholesome in accordance with best market practices.

Fair and responsible remuneration

The Fund conducts salary surveys to keep abreast of the market compensation trends. This commitment ensures that our remuneration practices are both equitable and in harmony with prevailing market and regulatory standards.

Beyond just compensation, the Fund is deeply committed to empowering our lower-income employees. We provide them with tailored benefits designed to enhance their skills and potential. Over time, this not only boosts their earning capacity, but also propels their career trajectories. We offer an extensive array of development opportunities through our diverse training platforms. Additionally, the Fund actively supports and encourages employees to pursue degree programmes and professional qualifications that both augment our business and foster their personal growth.



Remuneration structure

The Fund's compensation framework is intricately tied to our strategic objectives, forging a direct connection between remuneration, and both individual and business performance. This design fosters a culture of excellence and drives the realisation of our strategy.

Our approach aims to not only attract and retain the industry's best talent, but also to motivate and acknowledge their contribution to the Fund's performance. Annual remuneration surveys are conducted by the Fund to remain competitive in the market, factoring in our performance against established goals. Such meticulous planning ensures we consistently attract and retain the top-tier talent essential for achieving the Fund's objectives.

The Fund's Remuneration Policy at a glance:

Reward objectives	Reward principles
Attract	Competitive
<ul style="list-style-type: none"> • Enable the Fund to recruit the right people 	<ul style="list-style-type: none"> • We assess competitiveness on a total reward basis • Reward reflects an individual's role, experience, performance, and contribution to the strategy of the Fund • Reward is set with reference to external market practice and internal relativity
Motivate	Simple
<ul style="list-style-type: none"> • Incentivise and improve morale of employees to deliver and execute the Fund's strategy 	<ul style="list-style-type: none"> • Reward is simple, clear, and easy to understand and aligned to the individual's balanced scorecard targets • The Fund avoids unnecessary complexity • Reward is delivered accurately
Recognise	Fair
<ul style="list-style-type: none"> • Acknowledge individual contribution and performance • Create member value and support the achievement of business strategy 	<ul style="list-style-type: none"> • Policies are transparent and applied consistently and equitably • Reward decisions are trusted and properly governed • Reward is legal and compliant
Retain	Sustainable
<ul style="list-style-type: none"> • Foster loyalty in the Fund • Retain exceptional performing employees 	<ul style="list-style-type: none"> • Our reward framework is flexible to meet the changing needs of the business and the economy • We reward in a responsible way

The Fund's pay structure may include any or all the following: fixed pay, performance-based increments, and variable pay.

Fixed pay

The Fund has developed a fixed pay range that is linked to an approved grading system. This is aimed at ensuring that remuneration is fair, competitive and there is internal equity and consistency within the Fund.

Performance based increments

Performance based increment (PBI) is a method of remuneration used by the Fund to ensure appropriate reward for performance. It links pay progression to an assessment of individual performance usually measured against pre-agreed objectives. Pay increases awarded through PBI are normally consolidated into basic pay. The increments are based on the appraisal results for the year, the positioning of everyone in the pay grades, as well as the pay increment budget for the year. The PBI increases with performance and decreases as one's pay moves towards the maximum of the grade, as shown below:

PERFORMANCE RATING	POSITION IN RANGE				
	Q1	Q2	Q3	Q4	ABOVE MAX
A+	10.11%	6.74%	3.37%	2.70%	0.00%
A	6.74%	4.49%	2.25%	1.80%	0.00%
B	3.37%	2.25%	1.12%	0.90%	0.00%
C	0.00%	0.00%	0.00%	0.00%	0.00%
D	0.00%	0.00%	0.00%	0.00%	0.00%

4. OUR GOVERNANCE

Variable pay

The Fund also has annual incentives in the form of bonuses paid to qualifying staff. Bonus pay is a onetime lump-sum payment, and the objective is to recognise and reward employee's contributions, retain exceptional and very good performers, motivate staff, and increase productivity. Individual employee bonus awards are based on agreed and reviewed performance, and the overall contribution to the Funds' results for the year in review.

Benefits

The Fund provides benefits in line with best market practice and regulatory requirements. Medical insurance cover and death benefits are provided to all Fund employees and their dependents. A retirement benefit scheme called the "Staff Provident Fund" is provided to all permanent employees and an "Annual Service Award" is provided to temporary staff. A "Gratuity Scheme" is provided for the Executive Committee (EXCO). These are aimed at motivating and preparing for retirement.

Recognition policy

The Fund recognises and rewards individuals and groups of employees who:

- Make an exceptional (sustained or one-off) contribution that promotes the aims and objectives of the Fund or
- Meet exceptional shorter-term operational challenges.

The award(s) can be given to a "Group" or an "Individual" and is(are) both financial and non-financial.

Long service incentive

Although service may not necessarily automatically contribute to performance, the Fund does value the commitment and loyalty of long serving employees. This is done in the form of long service awards. These awards recognise long service from 10 years, and then continue this acknowledgement with awards every 5 years thereafter.

Remuneration of Executive Management

The Board sets targets and objectives for the entire Fund at the beginning of the financial year in line with the strategy of the Fund. These targets and objectives cascade down to the Managing Director who then approves the performance measure and targets for each Executive Committee member.

Performance against the individual objectives is monitored through a performance appraisal system which is moderated by the Staff Administration and Corporate Affairs Committee and thereafter presented to the full board for approval.

The remuneration package and long-term incentive for the Managing Director and Deputy Managing Director are determined on the same basis and using the same qualifying criteria as for other employees. The appointee's remuneration is subject to an annual performance review. These packages are approved by the appointing authority, the Ministry of Gender, Labour, and Social Development.

Annual single total figure of remuneration:

Top Management	Salary (Millions)	Benefits (Millions)	Bonus (Millions)	Pension (Millions)	Gratuity (Millions)
Managing Director	385	74	264	83	181
Deputy Managing Director	788	157	241	122	150



Non-executive directors' remuneration and terms of engagement

Terms of service

All non-executive directors are provided with a letter of appointment setting out their remuneration. Directors are appointed by the Ministry of Gender, Labour, and Social Development for a three-year term, renewable once.

Fees

Non-executive directors receive a retainer for their service on the Board and a meeting attendance fee for Board and Board Committee meetings. Fees are paid monthly in arrears. There are no contractual arrangements for compensation for loss of office. Executive director(s) do not receive any retainer or meeting attendance fee. In determining the remuneration of non-executive directors, the Board considers the extent and nature of their responsibilities, and comparative remuneration offered by other major entities of a similar nature.



Principle 15: Assurance



King IV principles and our activities

Principle 15 – The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.

Desired Outcome

Assurance on the effectiveness of internal controls and integrity of information for internal decision-making and external reporting purposes.

Internal Audit

- IA supports the Board and Management to execute their mandate by providing independent objective assurance of the Fund's operations.
- Technology has been leveraged to incorporate data consistency and integrity, stronger collaboration among functions, concise information, and real-time visibility to help identify key areas of focus and opportunities to create and protect strategic business value.

Combined assurance

- The three lines of defence play a complementary role to each other:
 - Enterprise Risk Management, Legal and Internal Audit, work collaboratively to provide combined assurance on risk, compliance, and internal controls.

External Auditors

- The ARC reviews the external audit plan with the External Auditor and discusses their approach, nature and scope of work, audit and reporting obligations before the audit commences.
- In addition, the ARC oversees the relationship between the Internal and External Auditors and ensures that the external audit is coordinated with the internal audit programmes.



Head of Audit write-up

- Assurance that governance structures remain appropriate and functional for the Fund.
- Assurance is provided on financial and non-financial information.
- Key components of the integrated report, such as governance, risk management and controls are assured.
- Accountability is clear within the three lines of defence model, with assurance providers working together to provide coordinated assurance. (The coordination with assurance providers does not impair the independence of: Internal Audit).
- Combined assurance ensures that there is comprehensiveness in terms of coverage, and avoidance of duplication.



4. OUR GOVERNANCE

The Fund's remuneration structure:

Directors' fees (Ushs)	
Board Chairman	
Annual retainer	153,786,000
Fee per sitting	3,600,000
Director	
Annual retainer	121,410,000
Fee per sitting	1,528,000
Board committee	
Member (Fee per sitting)	1,350,000

Summary of 2022/2023 Board emoluments

Category of Directors	Board retainer fees and Board sitting allowance	Other benefits	Pension contributions	Total	Year
Non –Executive	890,189,600	582,542,166	62,914,860	1,535,646,626	2020
Non –Executive	1,087,371,400	No additional benefits paid	38,649,150	1,126,020,55	2021
Non –Executive	1,062,602,200	417,113,520	47,653,617	1,527,369,337	2022
Non –Executive	1,451,145,000	No additional benefits paid	30,115,260	1,481,260,260	2023



Summary of the arrangements for governing assurance
Well embedded Combined Assurance Model.

- Audit Committee oversees assurance:
- Assurance plans (internal and external audits).
 - Results of assurance reviews/audits.
 - Implementation of agreed remedial actions.

Quarterly assurance reporting to the ARC.

Measures taken to monitor assurance and how the outcomes were addressed

- Considered results of internal and external assurance provider reports.
- Oversee the implementation of agreed remedial actions for improvements required in the internal control environment (processes and systems etc.).
- Auditors report in the Annual Financial Statements.

 Assurance provided on the 2023 Integrated Report

Key areas of focus during the reporting period

 ARC

Planned areas of future focus

 ARC focus 2024



Building Resilience for Inclusive Prosperity – The Internal Audit Perspective

The Mandate of Internal Audit

Internal Audit (IA) supports the Board and Management to execute their mandate by providing independent and objective assurance, thereby protecting and creating value for a better life.

IA provides an independent, objective, and continuous evaluation of the Fund's operations and system of internal controls. The function reviews, appraises and reports on:

- a) The effectiveness and adequacy of internal controls, risk management and governance processes; and
- b) The reliability of financial and other management information.

The IA Charter approved by the Board of Directors, provides the framework that guides activities, purpose, authority, and responsibility of the IA function.

IA reports functionally to the Board and administratively to the Managing Director.

The annual risk-based IA audit plan and budget are developed in consultation with Management and approved by the Audit and Risk Assurance Committee of the Board (ARC).

Issues raised in various audit assignments, are reported to both Management for remediation and to the ARC for oversight. IA makes value adding recommendations to Management and all remedial actions are followed up to completion and independently validated.



Mr. Geoffrey Barigye

Building Resilience for Internal Audit

During this time of unparalleled change, it is more important than ever that IA continues to provide assurance and advise both Management and the Board on internal controls and risk. Managing change and developing resilience has consequently become an important topic for IA function at the Fund.

Subsequently, the IA team has embraced continuous risk assessment, exploratory analytics, automated controls testing, and agile methods as a way of decreasing costs and adding advisory value in the environment.

In the long-term, we recognise that a deeper digital transformation is a requirement. New digital tools and automation technologies are creating a world in which remote internal auditing does not mean compromised quality or plan reductions. Instead, it implies a higher level of functioning.

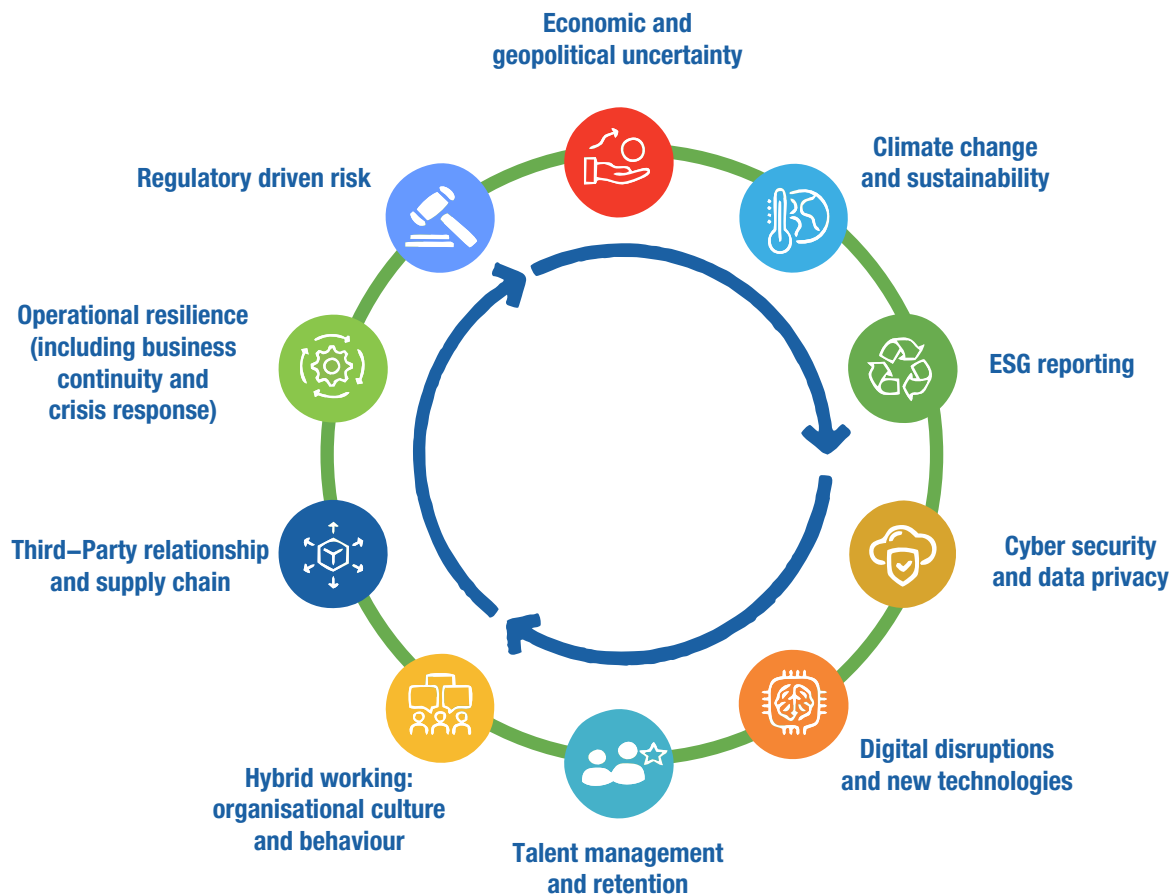
4. OUR GOVERNANCE

1. Revisiting the risk assessment methodology

As the Fund adjusts its operations to cope with the impact of changes, we reprioritize and reassess our audit plans and revisit the risk assessment methodology to respond to the changing landscape.

This includes dialogue and collaboration with key stakeholders to identify emerging, shifting or net–new risks and determining how to work with the business most effectively in planning mitigation strategies.

Key emerging risk areas or those that may be significantly altered include:



Considering the dynamic environment at the Fund, IA has embraced a dynamic risk assessment which refers to the continuous monitoring of business operations, functions and processes enabled by automation.

The dynamic risk assessment has so far helped us to:

- i) Generate new insights to inform risk professionals as well as new alternatives on how to respond.
- ii) Eliminate audit approaches that are manual, fragmented, often unrepeatable, or largely based upon gut instinct and replaces them with repeatable, standardised tools and methods.
- iii) Transform the audit–planning process and annual risk assessment by enabling continuous risk monitoring and adjustment to the audit plan.

2. Refreshing and re–assessing current IA plans

We have reprioritised the audit plan as soon as possible to provide assurance over the most consequential risks while being cognisant of the impact on operations. This includes determining which audits can be performed remotely versus those that absolutely require an in–person presence.

From an assurance perspective, we have also considered how operational changes will affect the audit timeline. For instance, process owners may need to move their controls to a virtual environment, which takes time.

3. Defining collaboration tools for audit execution

By utilising tools that enable collaboration and establishing mutually agreed upon protocols, IA has efficiently worked with process owners to gather, and review requested documentation in a remote environment.

4. Identifying and exploring opportunities for digital analytics and continuous monitoring capabilities

As our audit team members find themselves working remotely, the value of exception–based monitoring and analytics–driven process analysis is becoming readily apparent. The IA department has developed capabilities for the audit team to demonstrate greater resiliency and flexibility in the dynamic environment and the team provides inspiration for others to continue their digital journeys.

5. Re–defining reporting and communication model

As the IA mindset shifts towards a virtual operating model, it is imperative that its communication strategies shift as well. We are therefore reviewing our frameworks to modify the frequency and means of communicating with our key stakeholders. To remain resilient and relevant, the audit team will continue to focus on the key risks and provide assurance where it is most needed by the key stakeholders.

Consequently, the IA team is:

- a) Performing the same audit cheaper. For example, connecting the auditor directly to the process, through exploratory analytics and data visualization, drives a more focused audit, while still testing 100% of the population.
- b) Performing better audits. For example, combining data from inside and outside the Fund adds new richness and granularity to insights and understanding of risk. Benchmarks, comparative analysis, and trending enhance on–the–job learning and development while delivering a more impactful result to business stakeholders.

Quality Assurance and Improvement Program (QAIP) and Performance Monitoring

The implementation of a QAIP is to ensure conformance with the definition of IA, the Code of Ethics for internal auditors and the Auditing Standards.

Internal assessments include a comprehensive ongoing and periodic monitoring. The programme incorporates quality assurance processes in the stages of planning, engagement, and reporting.

Annually, the function conducts and reports the results of the internal assessment to the ARC.

Independent and objective external quality assessment evaluates conformance of IA with the Internal Audit Charter, Code of Ethics, and auditing standards. The last external assessment was conducted in 2018 and the next assessment has been planned for in the FY 2023/24.

External Auditors

The powers to appoint external auditors for Public Institutions (like NSSF) is vested in the Office of the Auditor General of Uganda (OAG). In line with Section 23 of the National Audit Act (2008), the Auditor General may appoint private auditors to assist him/her in the performance of his/her functions under this Act.

Section 32(2) of the NSSF Act gives the Auditor General the mandate to audit its financial statements or by an Auditor appointed by the Auditor General.

Accordingly, the Auditor General re–appointed PricewaterhouseCoopers Limited (PwC) to conduct an annual audit of NSSF for the year ending 30 June 2023. The length of service of external auditors is determined by the appointing authority and the general practice has been for a duration of three years.

The ARC reviews the external audit plan and oversees the relationship between the internal and external auditors to ensure efforts are coordinated.

Financial information used in the report is sourced from the Annual Financial Statements which is assured by our external auditors.

4. OUR GOVERNANCE

Principle 16: Stakeholder Relationships



King IV principles and our activities

Principle 16 – In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder–inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interests of the organisation over time.

Desired Outcome

A stakeholder–inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interests of the organisation over time.

- We continually engage with all our stakeholders to understand and respond to their needs, interests, and expectations.
 - These include government, the public, members, and suppliers, such as bankers, custodians, administrators, and Fund Managers.
- We seek to continually build strategic partnerships and maintain relationships with our stakeholders.
 - This helps us to manage the expectations of society, minimise reputational risk and form strong partnerships, which all underpin business sustainability.
- Ongoing engagement and evaluation of the quality and value we deliver to our stakeholders is vital to address sustainability concerns and interests and inform our strategic priorities.

- Open communication with our stakeholders, based on openness, transparency, trust, and good understanding of expectations.
- Sound relationships with our stakeholders to underpin business sustainability, ethics, and organisational integrity within the social, legal, and economic context of the country.

Summary of the arrangements for governing and managing stakeholders

The Staff Administration and Corporate Affairs Committee (SACA) oversees the Fund's approach to stakeholder engagement.

Stakeholder engagement reporting to SACA.

Stakeholder engagement surveys.

Board approved Stakeholder Engagement Policy.

Measures taken to monitor stakeholders and how the outcomes were addressed

- Maintain a stakeholder engagement register of interactions with the various stakeholders.
- Considered results of stakeholder engagement surveys and action plans to address areas of improvement.

Key areas of focus during the reporting period



Refer to our Stakeholder Engagement section

Planned areas of future focus



SACA focus 2024



Principle 17: Responsible Investments



King IV principles and our activities

Principle 17 – The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote good governance and the creation of value by the companies in which it invests.

Desired Outcome

Ensure that responsible investment is practiced by the organisation to promote the good governance and creation of value by the companies in which it invests.

- Approval of investment of member funds is reserved for the Board in consultation with the Minister of Finance, Planning and Economic Development and this is in line with Section 30 of the NSSF Act.
- The Fund invests prudently, in mature markets, whose returns are predictable.
- The aggressiveness for growth is in the Allocation of Assets, governed by an Investment Policy.

- Prudent investment decisions
- Stability of returns to members



Refer to our Chief Investment Officer's Business Review

Summary of the arrangements for governing responsible investments

The IPMC oversees the Fund's approach to investing responsibly.

The Fund continues to invest in ESG compliant companies.

Board approved Investment Policy.

Formalised investment strategy.

Measures taken to monitor responsible investments and how the outcomes were addressed

Investment proposals are considered by the Board in consultation with the Minister.

The Board reviews performance of real estate projects, equities, and fixed income on a quarterly basis in line with the targets.

The Board reviews the performance of the Fund Managers at least twice a year.

The Board considers ESG issues in investments decision–making.

Ongoing review of the Fund's strategic asset allocation.

Key areas of focus during the reporting period



IPMC

Planned areas of future focus



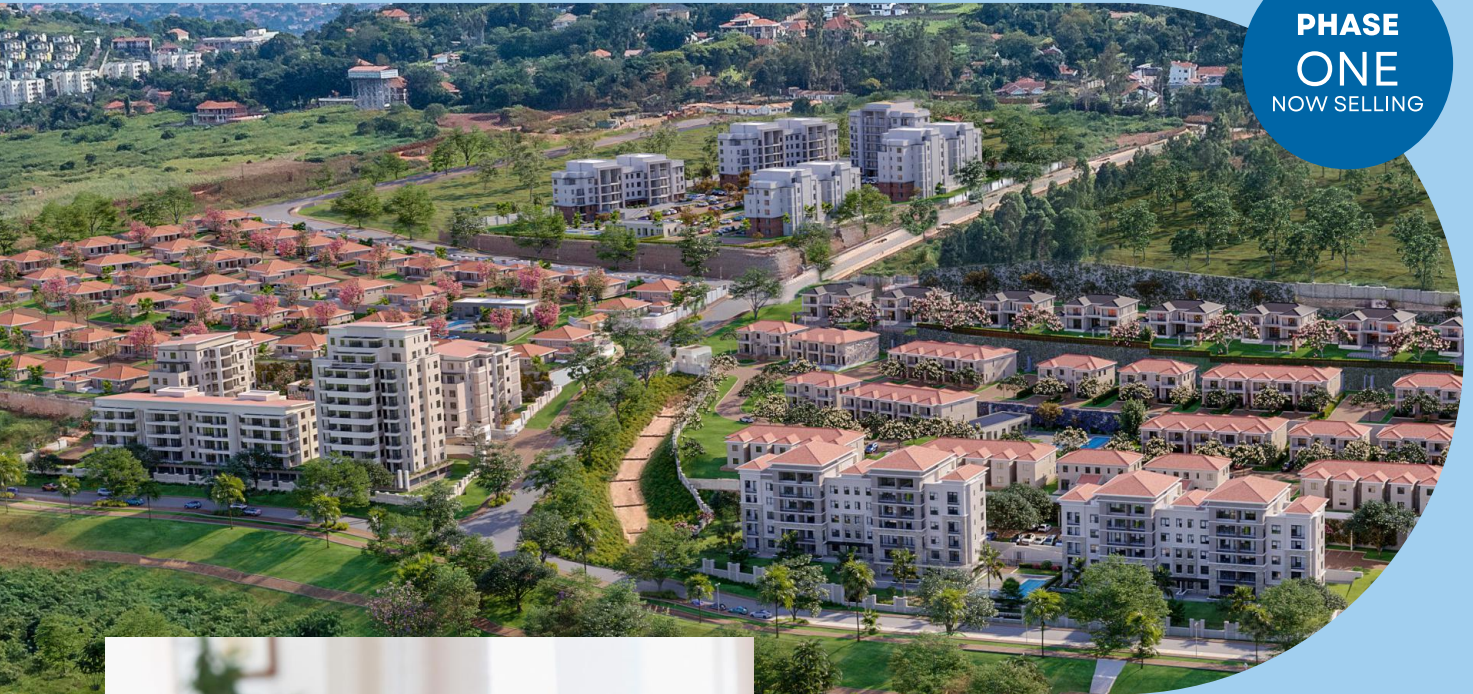
IPMC focus 2024





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4. OUR GOVERNANCE

Global Reporting Initiative

Reporting in accordance with the GRI Guideline

This Report is aligned with the Global Reporting Initiative's (GRI) G3.1 Sustainability Reporting Guidelines. The index below gives full details of reporting against GRI disclosure profiles.

Profile Disclosure	Description	Level of Reporting	Cross-reference/ Direct answer	Link/Page reference	
1. Strategy and Analysis	1.1 Statement from the most senior decision maker of the organisation	●	NSSF Integrated Report (IR) 2023: Managing Director's Statement NSSF IR 2023: Our Sustainability: Message from our Managing Director	Managing Director's Statement Message from our Managing Director	
	1.2 Description of key impacts, risks, and opportunities	●	NSSF IR 2023: Risk and Opportunity Management		
Profile Disclosure	Description	Level of Reporting	Cross-reference/ Direct answer	Link/Page reference	
2. Organisational Profile	2.1 Products, and/or services	●	NSSF IR 2023: Organizational Overview Products and Services NSSF IR 2023: About our Theme Building Resilience for Inclusive Prosperity NSSF IR 2023: Performance against Strategy (Reason for decline in new products)	Organisational Overview Products and Services About our Theme Building Resilience for Inclusive Prosperity Performance against Strategy (Reason for decline in new products)	
	2.2 Operational structure of the organisation	●	NSSF IR 2023: Governing Structures and Delegation	Governing Structures and Delegation	
	2.3 Location of organisation's headquarters	●	NSSF IR 2023: Registered Office: Workers House	See page 2 of the Audited Financial Statements (AFS)	
	2.4 Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the Integrated Report	●	NSSF IR 2023: National Social Security Fund operates solely in Uganda	Geographic Reach	
	2.5 Markets served (including geographic breakdown, sectors served, and types of customers/ beneficiaries)	●	NSSF IR 2023: Organizational Overview, Products and Services	Organisational Overview, Products and Services	
	2.6 Significant changes during the reporting period regarding size and mode of operation		●	NSSF IR 2023: Strategic Trade-offs	Strategic Trade-offs
				NSSF IR 2023: Internal Operating Context	Internal Operating Context
2.7 Awards received in the reporting period		●	NSSF IR 2023: Operational Highlights	Operational Highlights	
			NSSF IR 2023: Integrated Report Recognition	Integrated Report Recognition	

KEY				
●	◉	⊗	×	○
Full reporting	Partial reporting	Don't report, not considered to be of material importance	Don't report, confidential information	Don't report, will consider

Profile Disclosure	Description	Level of Reporting	Cross-reference/ Direct answer	Link/Page reference
3. Report Parameters	3.1 Date of most recent previous report	●	NSSF IR June 2022	NSSF IR June 2022
	3.2 Indicate whether the Chair of the highest governance body is also an executive officer	●	NSSF IR 2023: Governance The Chair of the Fund is a Board member and is a non-executive director	The Chair of the Fund is a Board member and is a non-executive director
	3.3 State the number and gender of members of the highest governance body that are independent and/or non-executive Members	●	NSSF IR 2023: Governance	Board Composition
	3.4 Processes in place for the highest governance body to ensure conflicts of interest are avoided	●	NSSF IR 2023: Governance	Leadership, Ethics and Corporate Citizenship
	3.5 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance	●	NSSF IR 2023: Governance	Evaluation and performance of the Board
	3.6 Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees	●	NSSF IR 2023: Governance	Board Composition
	3.7 Basis for identification and selection of stakeholders with whom to engage	●	NSSF IR 2023: Stakeholder Engagement and Value Creation	Stakeholder Engagement and Value Creation
Profile Disclosure	Description	Level of Reporting	Cross-reference/ Direct answer	Link/Page reference
4. Market Presence	4.1 Standard entry level wage by gender compared to local minimum wage at significant locations of operation	⊗	NSSF only operates in Uganda and complies with Uganda legislation. As such, this indicator is not considered material	
	4.2 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	⊗	NSSF only operates and recruits in Uganda, as such this indicator is not considered material	

4. OUR GOVERNANCE

Profile Disclosure	Description	Level of Reporting	Cross-reference/ Direct answer	Link/Page reference
5. Indirect Economic Impacts	5.1 Understanding and describing significant indirect economic impacts, including the extent of impacts	●	NSSF IR 2023: External Environment NSSF IR 2023: Material Matters	External Environment Material Matters
	5.2 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, and other community investments, and payments to members	●	NSSF IR 2023: Summary of Outcomes in Business Model by Capitals	Business Model
Profile Disclosure	Description	Level of Reporting	Cross-reference/ Direct answer	Link/Page reference
6. Water	6.1 Water sources significantly affected by withdrawal of water	⊗	NSSF is not a major user of water, and while it is developing its reporting in relation to water, this indicator is not currently considered material to the Business	
	6.2 Percentage and total volume of water recycled and reused	⊗	NSSF is not a major user of water, and while it is developing its reporting in relation to water, this indicator is not currently considered material to the Business	
Profile Disclosure	Description	Level of Reporting	Cross-reference/ Direct answer	Link/Page reference
7. Biodiversity and Environment	7.1 Total water discharge by quality and destination	⊗	This indicator considers the scale of impacts associated with the organisation's discharge. NSSF is not a major user of water. This indication is not currently considered material to the Business	
	7.2 Energy and water saved due to conservation and efficiency improvements		NSSF IR 2023: Business Model under Natural Capital Outlook under Natural Capital NSSF ESG Report 2023: Environmental Protection	Business Model under Natural Capital See page 66 of the ESG Report
Profile Disclosure	Description	Level of Reporting	Cross-reference/ Direct answer	Link/Page reference
8. Compliance	8.1 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	●	NSSF IR 2023: Our Stakeholders – Regulators	Our Regulators

Profile Disclosure	Description	Level of Reporting	Cross-reference/ Direct answer	Link/Page reference
9. Employment	9.1 Total workforce by employment type, employment contract, and region, broken down by gender	●	NSSF IR 2023: Our Employees	Our Employees
	9.2 Total number and rate of new employee hires and employee turnover by age group, gender, and region	●	NSSF IR 2023: Business Model under Human Capital	Our Employees
	9.3 Return to work and retention rates after parental leave	○	NSSF only employs people in Uganda and complies with all Uganda labour laws, including those relating to maternity and paternity leave	
	9.4 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	⊗	NSSF only operates and recruits in the Uganda, as such this indicator is not considered material	
	9.5 Education, training, counseling, prevention, and risk-control programmes in place to assist workforce members, their families	●	NSSF IR 2023: Our Employees: Employee Health and Wellbeing	Our Employees: Employee Health and Wellbeing
	9.6 Labour/management relations Occupational health and safety	●	NSSF IR 2023: Our Employees: Occupational Safety and Health	Our Employees: Occupational Safety and Health
	9.7 Percentage of employees receiving regular performance and career development reviews	●	NSSF IR 2023: Our Employees: Performance Management/Training and Development Remuneration Report	Our Employees: Performance Management/Training and Development Remuneration Report
Profile Disclosure	Description	Level of Reporting	Cross-reference/ Direct answer	Link/Page reference
10. Labour/ Management	10.1 Percentage of employees covered by collective bargaining agreements	⊗	We encourage employees to become members of one of the trade unions recognised by the Fund	
	10.2 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	⊗	Minimum notice periods are defined in our Human Resource Manual	
Profile Disclosure	Description	Level of Reporting	Cross-reference/ Direct answer	Link/Page reference
11. Occupational Health and Safety	11.1 Security practices	●	The Fund has a security manager who is fully in charge of all security issues. It also employs a full-time security firm and anti-terrorism police to ensure safety of staff, assets and clients.	
Profile Disclosure	Description	Level of Reporting	Cross-reference/ Direct answer	Link/Page reference
12. Corruption	12.1 Actions taken in response to incidents of corruption	×	NSSF only operates in Uganda and aligns practices to Uganda law. Incidences of corruption are dealt with as specified in the code of business conduct. Such information is considered business confidential.	

4. OUR GOVERNANCE

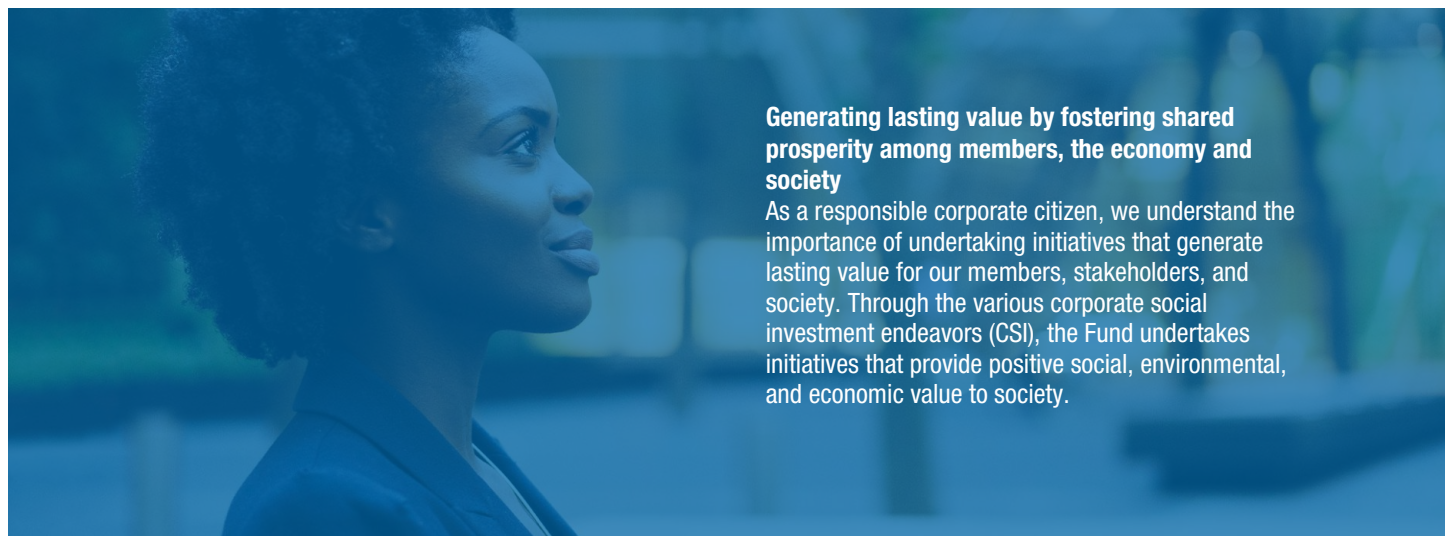
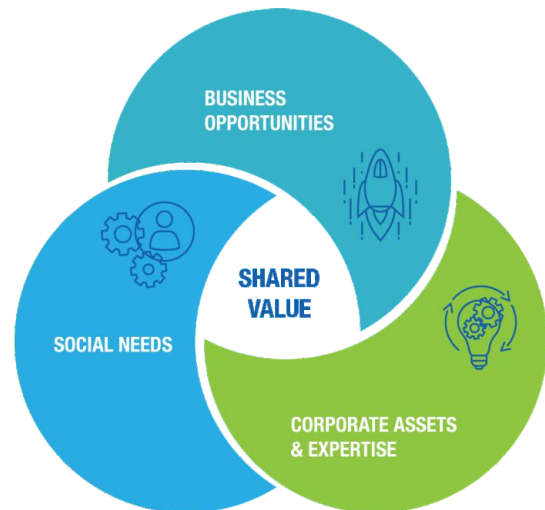
Shared Value

Creating shared value through sustainable initiatives to foster shared prosperity

The Fund remains dedicated to being a responsible corporate citizen evidenced by its focused and purposeful CSI activities.

These activities not only reflect our commitment to societal betterment but also align seamlessly with our strong adherence to ESG principles.

As we focus on creating sustainable solutions, our intention goes beyond short-term gains. We are keenly aware of our responsibility towards the environment, society, and governance. By incorporating ESG considerations into our decision-making processes, we are working towards solutions that not only drive positive financial outcomes but also contribute to a better world for our members, stakeholders, and society at large.



Generating lasting value by fostering shared prosperity among members, the economy and society

As a responsible corporate citizen, we understand the importance of undertaking initiatives that generate lasting value for our members, stakeholders, and society. Through the various corporate social investment endeavors (CSI), the Fund undertakes initiatives that provide positive social, environmental, and economic value to society.

The Fund seeks to engage in sustainable initiatives and solutions to create lasting value to its members with:



The Financial Literacy Programme

The programme's core objective is to empower our members and the public to enhance prudent financial decision-making during their employment and after claiming their benefits. This programme commenced in 2019 following an internal survey conducted in 2018 that revealed a concerning trend: 90% of beneficiaries exhaust their entire savings within 2 years without putting them to good use. This programme is aimed at reversing this behaviour and fostering shared prosperity. Read more about our Financial Literacy Programme on page 51 in our [ESG Report](#).

We arrange the best financial experts from the industry to conduct our Financial Literacy webinars to educate our members on various financial topics



Our Hi-Innovator Programme rewarded several women-owned businesses during the Hi-Innovator pitch day

Hi-Innovator Programme

This initiative is aimed at supporting the youth and small and medium sized businesses to sustainably grow through entrepreneurial education, funding, and technical support. The Fund is undertaking this initiative in partnership with the Master Card Foundation. A USD 10M five-year fund was created to provide seed funding to qualifying entrepreneurs. During FY2022/23, a special cohort called the Hi-Innovator Women Accelerator Programme was introduced. It aims to help women entrepreneurs enhance their business skills, grow their businesses, and prepare them for future investor funding. The programme intends to seed-fund 500 Small-and-Growing-Businesses (SGBs) by 2025. This will not only increase the Fund's membership base but also contribute to economic growth through widening the tax base, creation of employment opportunities. Read more about our Hi-Innovator Programme on page 58 in our [ESG Report](#).

Internal innovation initiatives and programmes

The Fund's innovation strategy looks to future-proof the business from disruption – which could emanate from changes in customer behaviour, regulation, and/or technology trends (among other things). In January 2022, the NSSF Amendment Bill was passed into law. It has necessitated a major change in the Fund's business model – where the informal sector is now a major customer target market.

Having anticipated these changes, the innovation portfolio benefited from two business concepts:

- Yollo Save:** Aims to make saving a painless process. The team behind Yollo Save want to test the hypothesis that “if saving was fun and effortless, more Ugandans would save and invest”. A proto-type was developed which enables one to “save-as-you-spend”, looking at spending at supermarket outlets as a test case. The evidence proved that Ugandans are willing to “penalise” poor spending habits with a savings penalty. The proto-type is currently being integrated into the Fund's main offering to the voluntary sector – SMART LIFE. Smart Life is a life-style-oriented ecosystem of products and services targeting voluntary savings. It includes tenor-based saving and investment products, and insurance services. Yollo Save will essentially be one of the “smart ways” of replenishing one's SMART LIFE digital saving wallet.

- Agro-desk:** With over 5 million farmers making up a big portion of Uganda's 17million workforce, Agro-desk looks to link farmers with market opportunities via an end-to-end digital platform. With an assured market, farmers benefit from increased certainty on earnings, and are willing to set aside a small portion of their earnings as an opportunity cost for using the platform. As the sponsor of the digital platform, NSSF would benefit through increased membership and auto-savings via the digital platform. However, a few challenges were encountered, and these are under examination before proceeding with execution.

- Black Swan and Trail Blazers**

- Trail Blazers**

- This is a customised growth mindset coaching programme to drive members towards purpose, resilience, and ultimately sustainable saving and investment habits.

- Black Swan**

- This is a digital marketplace for informal sector workers to access customers. Payments on the platform automatically deduct savings for short, medium and long-term needs.

These two ideas have been merged into one concept to deliver unique and customised financial literacy coaching to informal sector workers while providing digital and physical platforms to connect them to customers, financial services, and markets. Read more about these initiatives on page 61 of our [ESG Report](#).

INTEGRATED REPORT
5. OUR SUSTAINABILITY





OUR SUSTAINABILITY

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5. OUR SUSTAINABILITY

Message from our Chairman

“We recognise our responsibility as a conscientious corporate citizen to generate sustainable value for our members, stakeholders, and society. We are committed to fulfilling ESG practices and pursuing objectives that secure our long-term prosperity.”



Dr. Peter Kimbowa

Today marks a key milestone in our journey as we present our inaugural ESG report. This document represents not just a collection of data, but a testament to our dedication to ESG principles and their integration into our operations. It highlights our commitment to fostering not only financial growth but also to nurturing communities and safeguarding our planet.

The essence of ESG

The prominence of ESG considerations are integral components of the Fund's strategy and is a testament to our collective understanding of the world we reside in and the responsibility we hold.

The global landscape evolves rapidly, reshaping expectations across our interactions with members, employees, regulators, and society at large. ESG is no longer an optional addition; it is a pivotal lens through which we scrutinise our actions and evaluate our impact. By embracing ESG principles, we signal our dedication to resilience, accountability, and forward-looking progress.

The most successful organisations in the world are those that have a clear social purpose, and we aim to play our part to create long-term sustained value underpinned by sound ESG principles. We broadly fulfil this promise by delivering societal financial wellness and good governance.

Our purpose in action

Our resilience and sustainability are reliant on the degree to which we remain true to our purpose: to make lives better.

As Uganda's premier Pension Scheme, we channel our resources and expertise towards addressing everyday challenges in energy, sustainable finance, infrastructure, and support for small and growing businesses, especially in the areas of agriculture and job creation. This report embodies the transparency and accountability inherent in our efforts at the Fund, from navigating the transition to a low-carbon economy to investing in underserved communities.

We comprehend that sustainable growth cannot thrive without generating positive impacts on both the environment and the communities we serve. We have established our ESG priorities based on the needs and expectations of our stakeholders.



Community support

Our commitment to community support endures. We invest in local businesses, providing opportunities for under-resourced business owners and entrepreneurs, particularly women, to flourish. By providing capital for diverse-led funds and equity funding for minority entrepreneurs, we seek to break barriers hindering their access to start-up and growth capital.

Empowering beyond retirement

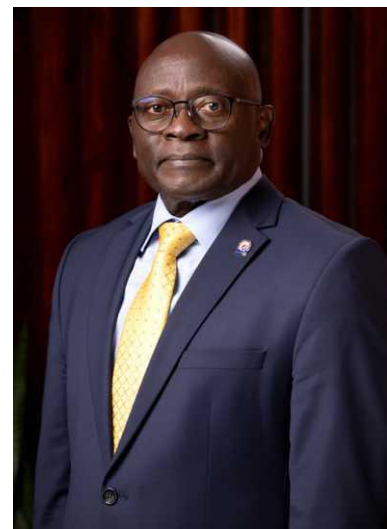
Shared prosperity extends beyond retirement. To this end, we endeavour to unleash Uganda's entrepreneurial potential through collaboration. Our entrepreneur programme aims to bolster work opportunities, especially for women and youth, fostering economic empowerment and inclusion.

Looking ahead

Our journey toward sustainability, in alignment with the UN SDGs, has seen considerable progress. We are in the process of formalising our ESG strategy and framework, scaling up the accountability ecosystem for sustainability.

In closing, this [ESG Report](#) underscores our commitment to a more sustainable future.

Dr. Peter Kimbowa
Chairman of the Board



Message from our Managing Director

“We take immense pride in our commitment to sustainability and ESG principles. Our leadership team has meticulously worked to make the Fund an example of being responsible, sustainable, and ethical in our business practices.”

 Mr. Patrick M Ayota

Commitment to ESG and sustainability

We have flawlessly integrated ESG principles into our operations, solidifying our dedication to social and environmental responsibility. This year's inaugural Fund [ESG Report](#) proudly showcases our progress in this regard.

Non-financial factors such as encompassing ESG aspects, are now central to our decision-making process. Their significance has grown as we recognise their interconnectedness and impact on our operations. By incorporating these factors into our strategy, we gain deeper insights into growth opportunities and material risks, guiding us towards making more informed and responsible choices.

At the Fund, we appreciate that embracing sustainability is not only the right thing to do for our society and the environment, but also a strategic imperative for the long-term success and resilience of our Fund, building a more sustainable future for generations to come.

Inclusivity for shared prosperity

Our 10-year strategy continues to steer our direction and growth. Building upon our 2025 strategy, we have set ambitious targets for the next decade. Central to our strategy is an active role in the daily lives of young Ugandans, especially in the areas of agriculture and job creation. By promoting a culture of saving and enhancing the capacity to save, we aim to empower Ugandans to achieve greater financial security and prosperity.

Our focus on increasing earnings and economic opportunities for our members will be a catalyst for attracting more individuals to join the Fund, enabling growth of our membership base.

Our audacious goal is to grow our member base from the current 10% of the working population to 50% of Uganda's labour force by 2035. By creating capacity to save, the Fund shall roll out strategies focusing on job creation such as intervening in the agriculture value chain and supporting the innovation ecosystem. For instance, through our Hi-Innovator Programme, we extend support to promising entrepreneurs by offering seed capital to pave the way for their growth and success, enhancing job creation.

In addition, we are partnering with various stakeholders to drive compliance of all employers. The Fund will also continue to offer various products and services to enable our members to save voluntarily. The Financial Literacy Programme continuously engages members in financial wellness and preparation for their retirement journey. These various initiatives have been purposefully implemented over the years as part of our sustainability goals. By nurturing young talent and stimulating economic growth, we not only empower the next generation but also contribute to the development of Uganda's economy.

Looking forward

We will continue to focus on driving shared value and sustainable growth and tackling the most pressing challenges faced by our customers, employers, and the communities in which we operate.

By embracing inclusivity, fostering a culture of entrepreneurship and financial empowerment, we lay the groundwork for lasting prosperity for all Ugandans. This will enable a future pipeline of contributions and new investment opportunities for the Fund.




Mr. Patrick M Ayota
Managing Director

5. OUR SUSTAINABILITY

Our Approach to ESG and Sustainability

The Fund has built its reputation for standing by its members, customers, and communities. The events of 2021 – the global Covid-19 pandemic, a societal reckoning with financial distress and the increasingly visible effects of climate change – underscore why understanding, anticipating and effectively managing ESG matters is critical to delivering on our mission to making lives better for our members, customers, and communities. Now, more than ever, a strong focus on ESG is a business imperative – and a key driver of long-term business success.

We are acting on sustainability by using our business and brand to build a better future. For people. For the planet.

Our focus on long-term value creation and innovation positions sustainability at the heart of everything we do.

From our culture of integrity and inclusion, our strategic investments in education, health, youth, and how we manage our supply chain, to how we operate in support of environmental sustainability, our Corporate Social Investment (CSI) and business strategies are tightly integrated.

We will continue to challenge ourselves, using our voice to drive action on sustainability and leading by example, to create a thriving society, driving economic growth for a greener sustainable future.

Our customers expect this from us because they want to do business with an institution they believe is socially and environmentally responsible. We are committed to meeting their expectations, and we hold ourselves accountable by continuing to report our progress in support of addressing the challenges of the UN 2030 SDGs.

In the pages ahead, you will learn about the impact we are making, and the programmes we are driving to make lives better, not only for our members but the communities within which we operate.

NSSF has prioritised commitment to the following SDGs:



Our ESG Objectives

We have clearly defined ESG objectives, and in the table below we summarise what the environmental, social (and economic) and governance objectives are in NSSF:

Environmental 	Social and Economic 	Governance 
<p>Objectives</p> <ul style="list-style-type: none"> Developing financial solutions that drive action on climate change and generate other positive environmental impacts Managing environmental risks, including climate-related risks Minimising the environmental impacts of our physical operations Partnering with organisations to advance sustainable development Sustainable cities and communities <hr/> <p>Relevant capitals</p>  <hr/> <p>Relevant strategic objectives</p>  <hr/> <p>Relevant material matters</p>  <hr/> <p>Relevant sustainability drivers</p> <ul style="list-style-type: none"> Environmental protection 	<p>Objectives</p> <ul style="list-style-type: none"> Acting in the best interest of our customers Addressing human rights-related risks Developing financial solutions that improve quality of life and generate other positive social impacts Expanding access to education to promote economic opportunities in the communities where we do business Driving economic prosperity and growth in Uganda (support of local suppliers, promoting the growth of Ugandan businesses, support of the agro-industry) Investing in our human capital Promoting diversity, equity, and inclusion Strengthening customer financial health Adopting a robust investment strategy to ensure long term sustainability of the Fund <hr/> <p>Relevant capitals</p>  <hr/> <p>Relevant strategic objectives</p>  <hr/> <p>Relevant material matters</p>  <hr/> <p>Relevant sustainability drivers</p> <ul style="list-style-type: none"> Customer satisfaction Financial resilience Inclusivity Social responsibility 	<p>Objectives</p> <ul style="list-style-type: none"> Cultivating a strong risk and control environment Fostering a culture of transparency and ethical behaviour Maintaining effective Board leadership and management processes Participating in political engagement and public policy Safeguarding privacy and cybersecurity Ensuring sound oversight of ESG <hr/> <p>Relevant capitals</p>  <hr/> <p>Relevant strategic objectives</p>  <hr/> <p>Relevant material matters</p>  <hr/> <p>Relevant sustainability drivers</p> <ul style="list-style-type: none"> Customer satisfaction Financial resilience Inclusivity Social responsibility Environmental protection
    	   	 

5. OUR SUSTAINABILITY

Integrating ESG and Sustainability in our Strategy

The visual depiction of our strategy on the right hand side illustrates our approach to ESG and sustainability, which is premised on:

-  **Creating Value**
Identifying commercial opportunities to address ESG challenges
-  **Protecting Value**
Identifying and responding early to ESG-related risks
-  **Enabling Value**
Leading broader change by using our influence through collaboration across the value chain



Furthermore, we have identified five sustainability drivers which are based on assigning value to the capital assets we depend on for our economy and society to flourish, as they are all interdependent. Our sustainability drivers are embedded in our strategy and are focused on ensuring sustainability for our business, our customers, communities, society, the economy, and the environment.

Our strategy is underpinned by good corporate governance, which is implemented in an integrated manner, promoting an ethical culture, good performance, effective control and legitimacy.



Sustainability Drivers



Customer Satisfaction



Social Responsibility



Financial Resilience



Inclusivity



Environmental Protection

Our Commitment to Transparency and Continuous Improvement

As we release our first ESG report, we reaffirm our dedication to transparency and continuous improvement in our reporting practices, aligning with industry best practices. Through this report, we highlight how our mission comes to life through our business endeavours, emphasising the material importance of ESG considerations and their integration into our business model.

NSSF Uganda's 2023 ESG Report is a testament to our commitment to fostering sustainable growth, social responsibility, and good governance as we journey towards building inclusive prosperity for all.

Integrating ESG into our FY 2025 Strategy

OUR CORE PURPOSE

Our purpose is to make lives better. We passionately dedicate ourselves to making saving a way of life, to enable more and more people improve their well-being

OUR VISION

To be the social security provider of choice



Our core purpose and vision guide our strategic direction and remind us of why we exist for long-term sustainable value creation

OUR ASPIRATIONS – UNDERPINNED BY DIGITAL INNOVATION

PROVIDING WORLD CLASS SERVICE TO OUR MEMBERS

Achieve a customer satisfaction rate of 95%

→ **ACHIEVING COMPETITIVE RETURNS**

Achieve a Fund Asset size of UGX 20Tn Underpinned by digital innovation

→ **INCREASING EFFICIENCIES TO IMPROVE SERVICE DELIVERY**

Pay members who claim within 24 hours

→ **BECOMING THE EMPLOYER OF CHOICE**

Achieve a staff satisfaction rate of 95%



Our aspirations illustrate the four pillars that underpin our strategy and what we aim to achieve by the end of FY 2025.

Our digital innovation strategy is key to remaining relevant and supports the achievement of our measurable objectives

UNLOCKING SUSTAINED VALUE THROUGH ESG CONSIDERATIONS

CREATE VALUE

Through initiatives to address sustainability challenges (SDGs)

→

PROTECT VALUE

By mitigating social, environmental and governance risks

→

ENABLE VALUE

Through partnerships and stakeholder engagement



Our commitment to create, protect and enable value is demonstrated through our support of ESG imperatives and our strong stakeholder relations

OUR VALUES

INNOVATION

→

CUSTOMER CENTRIC

→

EFFICIENCY

→

INTEGRITY

→

TEAMWORK



Our values form the foundation of our commitment on how we engage internally and externally with our stakeholders and support integrated thinking across our operations

OUR ENVIRONMENTAL, SOCIAL AND ECONOMIC SUSTAINABILITY DRIVERS

CUSTOMER SATISFACTION

→

SOCIAL RESPONSIBILITY

→

FINANCIAL RESILIENCE

→

INCLUSIVITY

→

ENVIRONMENTAL PROTECTION



Our sustainability drivers are embedded in our strategy and are focused on ensuring sustainability for our business, our customers, communities, society, the economy and the environment

OUR STAKEHOLDERS

CUSTOMERS

→

COMMUNITIES

→

EMPLOYEES

→

REGULATORS & POLICYMAKERS

→

INDUSTRY ASSOCIATIONS



Our stakeholders are integral to our business and play a vital role in enabling us to create a stronger legacy in our promise to make lives better now and for generations to come. Our stakeholder conversations shape how we define and execute our strategy to include materiality, new business opportunities and sustainable development



OUR PERFORMANCE

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Audited Financial Statements (AFS)	
Click here to view the full set of AFS	
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6. OUR PERFORMANCE

CFO's Financial Review

“The Fund remained steadfast amidst the increased scrutiny from the different oversight bodies by demonstrating our dedication to transparency, accountability, and integrity. We remain committed to becoming the Social Security Provider of choice through continuous improvement and learning from past missteps. We continued to demonstrate our commitment to making lives of our members better amplified by our expanded mandate that includes coverage of all private entities irrespective of number of employees, expanded voluntary space and allowing for product innovation.

In FY 2022/23, the Fund achieved commendable results on its major KPIs including growth in income, contributions, and asset size, however, regional economic uncertainty led to a temporary significant increase in the unrealised foreign exchange exposure which subsequently affected the bottom line. Nonetheless, our efforts continue to be dedicated to growing members savings and consistently providing a return that surpasses the 10-year average inflation rate.”



Mr. Stevens Mwanje,
Chief Financial Officer



About the Finance Department

As a finance function at the Fund, we continue to embrace innovative approaches that integrate advanced technologies for improved processes, harness data analytics to provide valuable insights, and developing an agile team to achieve our vision of becoming a valued business advisor delivering key insights for strategic decision making.

Achievements

The Finance Department Strategic Plan (2019 – 2023) laid a strong foundation for us to effectively position ourselves in this continuously changing business landscape. As this plan reaches its conclusion, we have made remarkable progress toward becoming a fit for purpose and future ready Finance department that is able to appropriately support the Fund in achieving its Vision 2025 strategy and beyond. This is despite the uncertain operating environment characterised by regulatory changes (the NSSF Amendment Act 2022), Covid-19, and local, regional and global economic uncertainty. Specifically, for FY 2022/23, we were able to achieve the following milestones.

Heightened focus on Environmental, Social and Governance (ESG)

We continue to demonstrate our commitment to conducting our business in a sustainable manner through incorporation of ESG considerations into our core strategies and operations. This year marks the inaugural release of a dedicated and separate ESG Report highlighting our ongoing efforts to create long term value for our stakeholders in a sustainable manner. ESG reporting was previously done within the main integrated report. Read our full [ESG Report](#).



Real time reporting and segmentation	Process improvements	Business Advisory
<p>We continue to aim at attaining full insights driven reporting to enable value adding and timely decision making. This year, we took further steps a dynamic daily report that communicates key metrics to management. Whereas this has been key, we are equally dedicated to improving our segmented reporting practices that enhance the granularity of information reported.</p>	<p>Having embraced several new technologies and systems, we purpose to continuously refine them to remain aligned with the evolving business needs and operating environment. Key achievements this year included automated bond and equity computations, and improvements on the electronic Petty Cash Solution.</p>	<p>Aside from our internal advisory drives within the Fund, we extended our support to two external entities during the year. Notably, we successfully supported Kiira Motors Corporation with adopting International Financial Reporting Standards. Additionally, building upon the progress of the previous year, we supported an additional business under the Hi-Innovator Programme with business development services specifically related to financial modelling and business planning.</p>

Looking ahead, we are excited at the prospect of continuous change and the opportunities presented to The Fund by the NSSF Amendment Act 2022 that has expanded the Fund's mandate.

We have fully embraced our role of ensuring financial excellence that propels the Fund towards achieving its strategic objectives. This excellence is evidenced by the awards that we continuously win at both the regional and local level.

These awards are evidence of our dedication to excellence but also highlight our commitment to embracing best practice in reporting. This is critical in demonstrating transparency and accountability to our members, government, and all other stakeholders. As a Finance Function, we remain committed to ensuring that we do not only sustain this excellence but also continuously evolve with the changing operating environment.



Notable awards received for FY 2021/22 include

Regionally, NSSF emerged as the overall winner in the category of Regional Company (from the Rest of Africa) in the Chartered Governance Institute of Southern Africa (CGISA) Integrated Reporting Awards.

Locally, NSSF won five accolades at the 2022 12th edition of the Financial Reporting Awards (FiRe) by the Institute of Certified Public Accountants Uganda (ICPAU).

- For the third year running, NSSF won the Integrated Report of the Year Gold Award
- Additionally, NSSF was the overall winner in the Public Sector category and took the First runner up award for the Communication, Sustainability and Corporate Governance categories.

6. OUR PERFORMANCE

The economic environment impact on the Fund

The appreciation of the Uganda shilling against the Kenya shilling affected the value of our investments held in Kenya. The Fund holds significant amounts of government bonds and Equity securities in Kenya.

Additionally, the rising interest rates in the developed economies and the political jitters in Kenya led to a reduction in investment capital inflows into the country but also capital flight. The All-Share price index declined on all the regional securities exchanges between June 2022 and June 2023 on account of diminished trading activity, but also increased sell-offs by international investors who liquidated their investments in emerging and frontier markets because of preferential rising interest rates in the US and Europe.

The rising commodity prices, exchange rate fluctuations and falling share prices led to a general rise in the Fund's operational expenditure, foreign exchange losses on regional investments and capital losses on our regional equity investments, respectively.



Operating environment

During the year, the Fund supported the various oversight bodies which were carrying out audits and investigations. The Fund demonstrated its commitment to transparency and accountability throughout the process. A few concerns were raised, and the Fund is committed to ensuring that these are all addressed. Our robust business processes, technology, and people ensured the exercises were conducted seamlessly with minimal disruptions to the business.

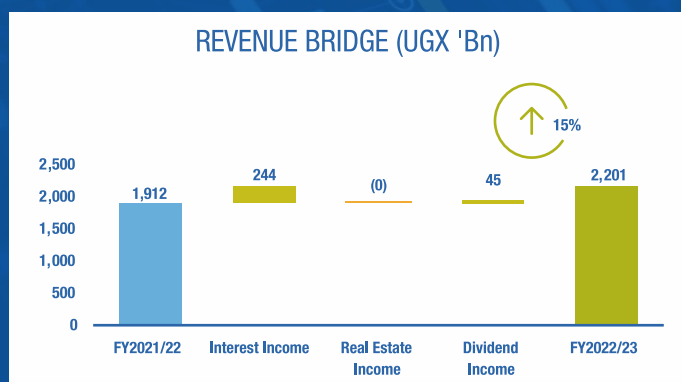
On the side of regulation, the National Social Security Fund (Amendment) Act 2021 expanded the Fund's mandate to include all private employers irrespective of the number of employees but also opened up the voluntary space. It also allows the Fund to develop innovative products to meet the diverse needs of our customers. This necessitated an alignment of our business model to accommodate this new mandate. Several initiatives both internal and external are already underway to ensure the needs of our new customers are met.

Business and financial performance

The Fund achieved commendable performance across most of its key performance indicators. Realised Income, Cost of Administration, Contributions all exceeded their budgeted expectations. However, total assets slightly fell short of the target due to higher-than-expected benefit payouts.

Additionally, the Fund recognised a significant unrealised foreign exchange loss on the regional investments, especially the ones held in Kenya because of the loss in value of its currency against the Uganda shilling.

FY 2022/23 Key Performance Highlights



Revenue

- Interest income which makes up over 93% of total income, grew by 14% from UGX 1.800Bn in FY 2021/22 to UGX 2.044Bn in FY2022/23. This was driven by increased investments in government bonds in Uganda and a Euro Bond in Kenya.
- Real Estate income slightly declined by 0.2% from UGX 11.97Bn in FY 2021/22 to UGX 11.95Bn in FY 2022/23 due to lower than planned occupancy rates and house sales compared to prior year.
- Dividend income grew by 45% from UGX 99.8Bn in FY 2021/22 to UGX 145.1Bn in FY 2022/23. This was driven majorly by dividend income from MTN Uganda and a general increase in dividends earned from Equity Group Holdings Ltd, Safaricom, East African Breweries, National Microfinance bank, Cooperative Rural Development Bank (CRDB) Tanzania and Stanbic Bank Uganda Limited.

As a result, total realised revenue grew by 15% from UGX 1.912Bn to UGX 2.201Bn driven by the growth in Fixed Income and Dividend Income.

Operating costs

Annual operating costs reduced by 6% from UGX 203Bn in FY 2021/22 to UGX 191Bn in FY 2022/23, and 14% below the budget of UGX 221Bn. This due to the Fund's cost saving mechanisms and the reversal of the unutilised provisions from prior periods.

Annual cost to income (Total Income) ratio stood at 16.4% in FY 2022/23, from 11.4% in FY 2021/22 due to the reduction in total income because of the significant unrealised exchange loss. The expense ratio reduced to 1.03% in FY 2022/23 from 1.18% in FY 2021/22. This was lower than the target of 1.16%.

Whereas revenue and collections have grown by a compound annual growth rate (CAGR) of 19% and 12% respectively, costs have only grown by a CAGR 10% over a 10-year period (FY 2012/13–FY 2022/23). Revenue has posted significant growth over the historical period, and it continually surpassed collections from FY 2018/19 onwards. In FY 2022/23, revenue was higher than collections by 28% and this gap continues to grow.

REVENUE, COLLECTIONS AND COST 10 YEAR TREND (UGX 'Bn)

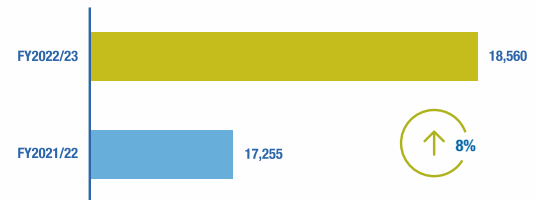


Interest Credited to Members

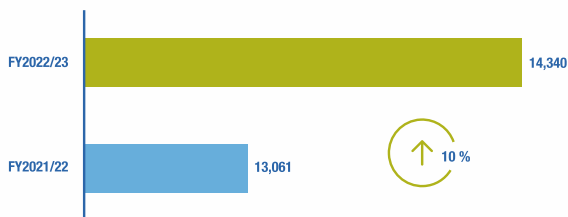
The Fund declared a return to members of 10% in the FY 2022/23 resulting into UGX 1.584Bn compared to 9.65% in the FY 2021/22 which resulted in UGX 1.380Bn.

- The Fund balance sheet size grew by 8% to UGX 18.560Bn (FY 2021/22: UGX 17.255Bn).
- This growth is consistent with the combined growth in investments driven by contributions and income generated net benefits paid out.

TOTAL ASSETS GROWTH (UGX 'Bn)



FIXED INCOME INVESTMENTS (UGX 'Bn)

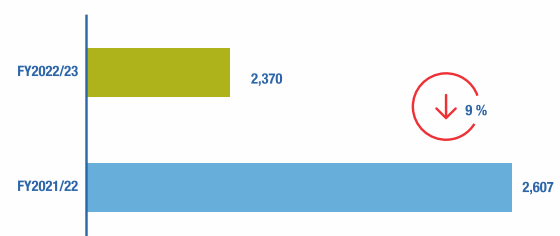


The Fund invests in 3 asset classes: Fixed Income Securities, Equity Securities and Real Estate.

- The 10% growth in Fixed Income investments to UGX 14.340Bn (FY 2021/22: UGX 13.061Bn) was because of the increase in investment in government bonds in Uganda and Euro bonds in Kenya.

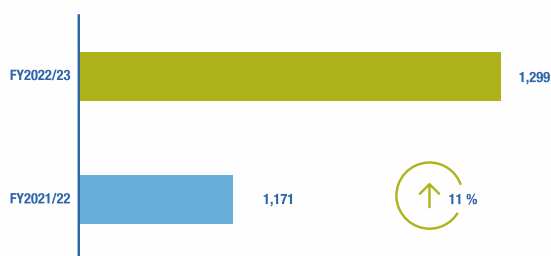
- Equity Investments dropped by 9% to UGX 2.370Bn (FY 2021/22: UGX 2.607Bn) attributed to the drop in share prices and losses in foreign currency.

EQUITY INVESTMENTS (UGX 'Bn)



6. OUR PERFORMANCE

REAL ESTATE INVESTMENTS (UGX 'Bn)

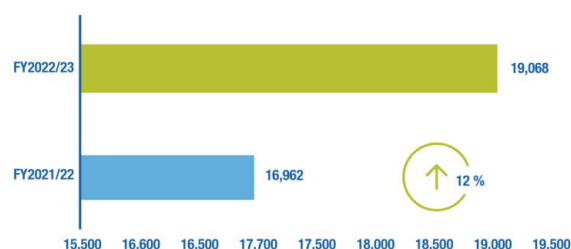


- Real Estate Investments grew by 11% to UGX 1.299Bn (FY 2021/22: UGX 1.171Bn) due to progress achieved on ongoing projects including Lubowa Housing Project, Temangalo, Pension Towers, and Kyanja Financial Position

Accumulated Member Fund

Member Fund grew by 12% to UGX 19.068Bn (FY 2021/22: UGX 16.962Bn) driven by contribution collections of UGX 1.717Bn and interest credited to members of UGX 1.584Bn net of total benefits paid of UGX 1.199Bn.

MEMBER FUND (UGX 'Bn)



Taxation

The Tax Appeals Tribunal ruled against NSSF in March 2020 in a significant income tax matter that has been under dispute since 2013. NSSF appealed to the High Court and on 2 November 2020, the High Court delivered judgment in favour of the National Social Security Fund. Court ruled that the interest paid by the Fund to its members is a deductible expense for income tax purposes and that the Fund was not liable to pay the tax assessed. URA was dissatisfied with the decision of the High Court and subsequently filed an application for leave to appeal and an application for stay of execution.



On 16 August 2022, Court dismissed the application for leave to appeal with costs citing that it was filed outside the statutory period envisioned under Rule 40(1) of the Judicature Court of Appeal Rules. The Court further ruled that a delay of 92 days was unreasonable and there was no proper reason for the delay.

URA has since appealed this decision and is seeking permission to appeal from the Supreme Court. However, NSSF is engaging URA to recover the 30% deposit amounting to UGX 25Bn plus interest and costs in line with the current ruling.

Cashflow analysis

The closing cash and bank balances stood at UGX 190.7Bn in FY 2022/23 compared to UGX 72.8Bn in FY 2021/22. Net cash generated from financing activities amounted to UGX 531.4Bn. Net cashflows used in investing activities was UGX 304.6Bn whereas net cashflows used in operations was UGX 108.9Bn.

This is a clear indicator of the Fund's ability to generate enough cash for all routine operations, financing and investing activities.

Update on Accounting Standards

Due to the constantly evolving global business environment, the International Accounting Standards Board (IASB) that develops and approves International Financial Reporting Standards (IFRSs) under the oversight of the IFRS Foundation issues new standards and amendments to the existing ones.

Several amendments to existing standards became effective during the year. However, these had little/no impact on the Fund's financial statements.

These included the following:

- **IFRS 17 Insurance Contracts:** Effective for annual periods beginning on or after 1 January 2023
- **IAS 1 Presentation of Financial Statements:** Amendments to IAS 1 and IFRS Practice Statement 2 on Disclosure of Accounting Policies—Effective for annual periods beginning on or after 1 January 2023
- **IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors:** Definition of Accounting Estimates – Effective for annual periods beginning on or after 1 January 2023
- **IAS 12 Income Taxes:** Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Effective for annual periods beginning on or after 1 January 2023

There are new and revised International Financial Reporting Standards issued but not yet effective.

These included the following:

- **Non-current liabilities with covenants:** Amendments to IAS 1 – effective 1 January 2024
- **Lease liability in sale and leaseback:** Amendments to IFRS 16 – effective 1 January 2024
- **Sale or contribution of assets between an investor and its associate or joint venture:** Amendments to IFRS 10 and IAS 28 – effective 1 January 2024

We highlight further the significant accounting policies and how these affect the Fund in Note 3 of the financial statements. See our Annual Financial Statements here

Economic outlook over the short, medium and long term

The trajectory of global economic recovery and growth remains uncertain because of the prolonged adverse effects of the Russia–Ukraine conflict. The increase in central bank rates aimed at mitigating inflation continues to impact economic activity. Inflation, however, is projected to gradually recede as the war induced peaks normalise.

From a regional perspective, recovery of the Kenya shillings hinges on several factors including improved tourism, end of the drought, sustained political stability, reduction in oil prices among other factors. These would then lead to increased foreign exchange inflows into the country.

However, this portrays a very optimistic outlook as current conditions cast doubt on the likelihood of this happening soon.

Uganda's economic prospects are projected to improve with GDP forecasted to grow at 6.5% in 2023 and 6.7% in 2024 according to the African Development Bank. This assumes that global growth slowdown will be short lived. BOU's contractionary monetary policy stance since June 2022 to date, along with the declining global inflation is expected to reduce inflation further in the coming months. The relatively stable shilling has also helped accelerate the disinflation process.

Despite the improvement in the near-term inflation outlook, BOU's current inflation projections remain susceptible to eminent risks like imported inflation and tighter global financial conditions which could weaken the shillings exchange rate. This could exert pressure on consumer prices.

The positive economic outlook provides an enabling operating landscape that will not only be critical to achieving our 2025 vision but also envisioning NSSF of the next decade. Our ambitious goals for the next decade include enhancing our coverage to 50% which currently stands at less than 10%, attaining an asset size of UGX 50Trillion (Currently UGX 18Trillion) and achieving staff and stakeholder engagement scores of 95%.

As a Finance Function, we remain committed to driving Fund-wide strategic and operational excellence by providing data driven decision support, predictive analytics, adoption of relevant emerging technologies for continuous process improvements and talent nurturing. These continuous efforts are critical pillars that strengthen our ability to keep adapting in the ever-changing operational landscape, and ultimately guiding the Fund towards lasting success.

Appreciation

My sincere appreciation to the Board and the Executive Management Team for their great support and co-operation rendered during the year. Special thanks is extended to Team Finance for their continuous commitment to future readiness through excellence and innovation and, lastly to all NSSF employees for their firm commitment to ensuring that the Fund achieves its purpose of Making Lives Better.

Mr. Stevens Mwanje
Chief Financial Officer

6. OUR PERFORMANCE

CIO's Business Review

Fund growth from UGX 17.3Tn to UGX 18.6Tn 7.6% growth.

The returns recorded in the year ended 30 June 2023, in a very challenging environment for the Fund, are testament to the sustainability and robustness of the investment strategy.



Mr. Gerald Paul Kasaato,
Chief Investment Officer

On behalf of the Fund's Investment team, I am pleased to report on the investment performance and initiatives for the reporting period ending 30 June 2023. The reporting period reminded us once again that unexpected events can abruptly change the economic outlook and consequently investment performance. In the aftermath of Russia's invasion of Ukraine with the adverse effects of Covid-19 hardly contained, inflation globally rose to the highest levels not seen since the 1980s. Price stability is crucial for maintaining a well-functioning economy. When high inflation erodes purchasing power, it impacts those with low incomes and the smallest margins hardest.



With the aim of curbing inflation, the Federal Reserve in the US, the European Central Bank, and other central banks the world over, raised their respective policy rates more aggressively than the markets had envisaged at the beginning of 2022, and this ran through the course of the fiscal year. Yet there were other issues; the change in the legislative environment—the NSSF Amendment Act 2022 and its implications of the investment programme in the short to medium term, global and regional geopolitical tensions, climate change—for example Kenya, Tanzania, and some parts of Northeastern Uganda experienced drought which adversely affected food supply, elections in Kenya, to mention but some. While all this turmoil has serious ramifications, the Fund's investment programme remains robust. It is now the 8th year of the 10-year Strategic Plan. The Fund continues to grow in all dimensions. With the asset base achieved as of 30 June 2023, it is possible that the strategic goal of reaching assets under management of UGX 20 Trillion by 2025 will be achieved by 30 June 2024, one year ahead of schedule.

A total revenue of UGX 2.2Tn, in the circumstances, was competitive. The UGX appreciated against all portfolio foreign currencies. We manage the Fund's investments with a view of achieving the highest possible long-term return within the constraints laid down in the Investment Policy Statement. We use a range of investment strategies. These fall under three main categories: market exposure, security selection, and timing. We apply these different strategies across the various asset classes. The contributions to the relative return from all the asset classes show that fixed income continues to contribute most to the Fund's return, despite the currency drag caused by the depreciation of the KES against the UGX in the reporting period.

Robust performance despite a challenging economic environment

A total portfolio return performance of 8.11% (compared to 11.62%) with the prevailing economic distresses and regulatory spotlight is remarkable. The resultant net increase in the Fund for the year was UGX 1.31Tn compared to UGX 1.68Tn in the previous year. The 12-month returns were led by fixed income investments at 10.45%, real estate returns came in at 5.70%, while equity investments were negative at 4.8%. The performance of the equity returns over the 1 year to 30 June 2023, compared to some other markets in Africa (excluding South Africa) and frontier market benchmarks is depicted in Figure 1 below:

Figure 1: How the Fund's equity return compares with different markets over the one year to 30 June 2023

Portfolio Index	1 year return (30 June 2022)	1 year return (30 June 2023)
NSSF Global Equities	-4.8%	-4.8%
MSCI FM FRONTIER MARKETS	-20.0%	-6.13%
Nairobi Securities Exchange Ltd All Share Index	-28.3%	-14.04%
Tanzania Share Index Real Time	7.5%	-4.02%
Uganda Stock Exchange Local Index	-21.1%	-11.47%
Rwanda Stock Exchange Share Index	-0.5%	-2.27%
FTSE/JSE Africa All Share Index	0.0%	14.81%
Ghana Stock Exchange Composite Index	-3.7%	10.31%

The year-on-year performance of the equity markets to 30 June 2023, justifies our diversification strategy. Although the regional market performance was bearish, the overall equity portfolio performance remaining flat at a negative 4.8% (compared to a negative 4.8%) was impressive. The portfolio continues to benefit from robust stock selection and country weighting. The resultant fair value loss on equity investments was UGX 125.948Bn. In the circumstances, considering that most investments are invested in Kenya (given its relatively deeper, more liquid, and bigger market), the performance was commendable. The Nairobi Stock Exchange experienced a second successive year of massive capital flight from net foreign investor sales and exits due to Kenya specific macroeconomic concerns largely around currency and debt. The year-on-year performance of the Nairobi Stock Exchange All Share index was a negative 14.04% in KES but when translated in UGX it was a negative 34.48%. The performance of the Uganda Securities Local Index was a negative 11.47%. The Tanzanian market performance was a negative 4.02% compared to a positive 7.5% last year.



Emphasis on long-term sustainability

It is important to note that, while the strong gross positive returns are encouraging in a period of uncertainty, our focus is always on the long-term sustainability of the Fund. Capital markets are naturally subject to volatility in the short term, which is why our focus is on long-term performance. The Fund invests for decades to match its liability profile, not a single year. To this end, one-year returns (8.11%) are just part of the results picture for a retirement scheme like NSSF. Even returns over 3 years (11.83% annualised return), 5 years (12.47%) and 7 years (13.55%), as shown in Table 1 below, represent only short-time and intermediate-time periods for measuring results. When we consider the results over 10 years (14.24%) or 15 years (13.10%), the outcomes have a greater bearing on the retirement benefits we can sustainably provide. To this end, the returns recorded in the year ended 30 June 2023, in a very challenging environment for the Fund, are testament to the sustainability and robustness of the investment strategy.

Table 1: A review of the historical return performance of the Fund over the last 15 years

Periods Through 30/06/2023	The Fund's Investment Total/Annualised Average return	Average 10-year/Annualised Average inflation	Average 10-year inflation + 200 basis points	Interest to Members
1 Year	8.11%	4.15%	6.15%	10.00%
3 Years	11.83%	4.51%	6.51%	10.62%
5 Years	12.47%	5.08%	7.08%	10.72%
7 Years	13.55%	6.02%	8.02%	11.40%
10 Years	14.24%	6.44%	8.44%	11.58%
15 Years	13.10%	6.66%	8.66%	10.20%
3-Years after 2008	10.40%	7.01%	9.01%	7.67%

Source: Internal



6. OUR PERFORMANCE

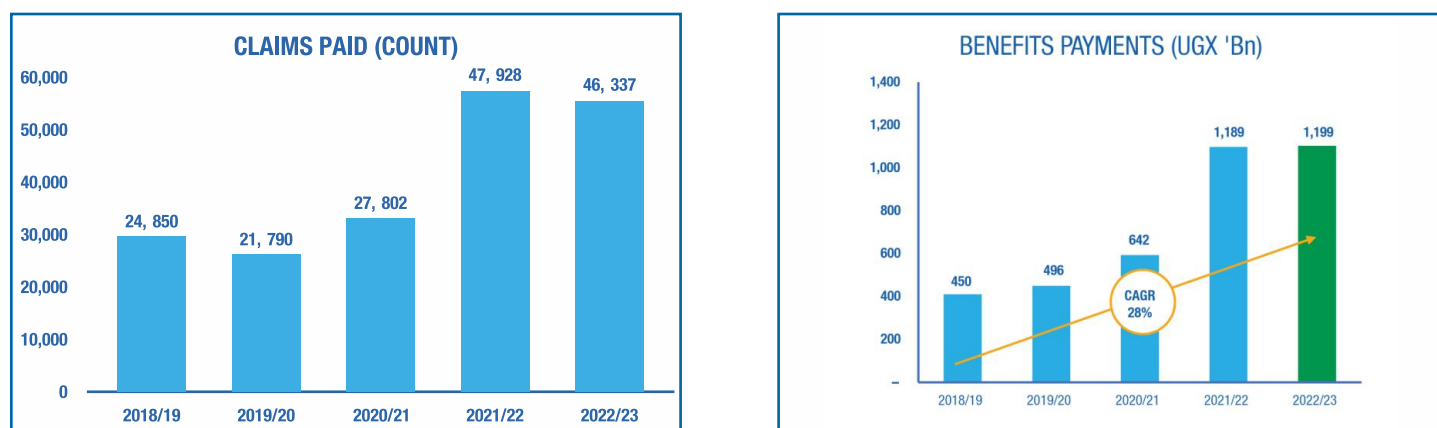
Downsides and Trade-offs

The downsides and trade-offs made were: a spike in benefits payout, the appreciation of the Uganda Shilling, low compliance, slow progress on projects, and the disruption at the Fund for the second half of the fiscal year. The robust performance is contextualised when you examine the challenges faced.

Benefits payouts remain elevated

The NSSF Act (as amended) 2022, provides for midterm access to members' benefits who meet the qualifying criteria. This requires immediate liquidity/cash to fund the pay-outs. As seen in Figure 2 below, benefits pay trajectory continues to be elevated. The effect is a drag on investment performance, with a heightened focus on treasury and cash flow management.

Figure 2: Benefit payments (count and amount)



Source: Internal

Macro environment and strengthening of the Uganda Shilling

Regional investments are assets denominated in currencies other than the Uganda Shilling (UGX). The return on these assets is affected by exchange rate movements between the UGX and the regional currencies (Kenya Shillings, KES, Tanzania Shilling, TZS and Rwandese Franc, RWF). For example, the UGX return on the Fund's KES bonds or equities is affected by the KES return on the bonds or equities as well as movements in the exchange rate between the UGX and the KES. It is this UGX return that gets reflected in the Fund's financial performance. It also determines the regional portfolio's contribution to the interest rate declared to members. Put simply, $R_{UGX} = R_{RC} + R_{FX}$, where R_{RC} is the KES or TZS return on the regional asset and R_{FX} is the movement in exchange rate. Movements in exchange rates (R_{FX}) represent a sizeable portion of the regional portfolio's risk and return. Nonetheless, the Fund's investment strategy sees currency risk as a potential source of incremental return. However, as witnessed in the recent years, currency movements can have a dramatic impact on the Fund's returns and volatility especially when perfect storms occur. A perfect storm is a confluence of several adverse events happening at the same time. Such are difficult to predict and cannot be modelled with precision. That is what happened last year.

Since 2011, all East African currencies have depreciated against the USD. Over the period, the UGX, KES, and TZS moved by 43.0%, 57.3% and 48.6% respectively against the USD. This represents an average annual depreciation of 3.3%, 3.9%, and 3.4%, respectively. However, during the fiscal year, the Uganda Shilling appreciated against all regional peers (or regional currencies depreciated against the UGX). Figure 3 below shows that when paired against the Kenya Shilling, the second major portfolio currency, the UGX appreciated (or the KES depreciated against the UGX) by 22.2% in the year. This was followed by an appreciation of 16.4% against the Rwandese Franc (or the Rwandese Franc depreciated by 16.4% against the UGX). The appreciation of the UGX was 5.2% against the Tanzania Shilling, and 2.6% to the USD, respectively. The net effect was UGX 1.05Tn in currency losses.

Figure 3: Uganda Shillings against regional currencies over the one year to 30 June 2023

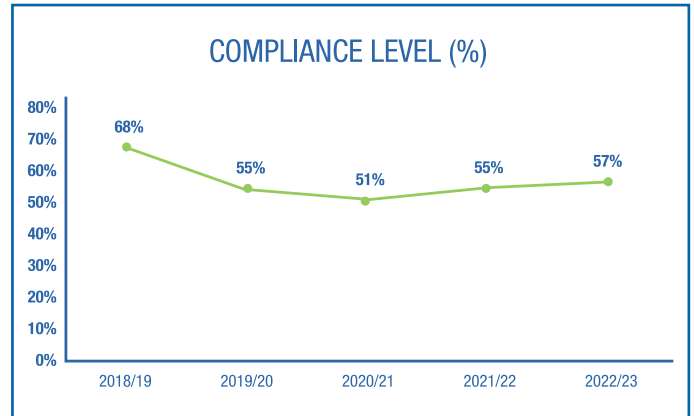
Currency Pair	Currency return (30 June 2022)	Currency return (30 June 2023)
USDUGX	5.3%	-2.6%
KESUGX	-3.4%	-22.2%
TZSUGX	4.8%	-5.2%
GBPUGX	-7.5%	1.7%
EURUGX	-7.1%	1.5%
RWFUGX	2.9%	-16.4%

Source: Bloomberg

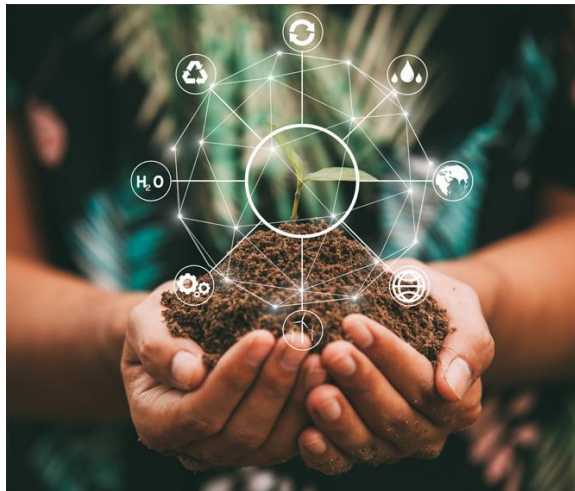
Slow recovery in compliance and collections

The impact of the lockdown to combat the spread of Covid–19 weighed heavily on compliance rates. However, as depicted in Figure 4 on the right, we saw compliance rates recover in the fiscal year (from the low levels of 2020/2021). Delays in collections or non–compliance, results in the investment programme being adversely affected. In partnership with the Ministry of Gender, Labour, and Social Development, there is a drive to train and equip labour inspectors to ensure compliance with the existing labour laws.

Figure 4: The Fund's compliance trend in the last four fiscal years



Source: Internal



Impact of geopolitical tensions and Covid–19 on real estate projects and investments as a whole

Africa is not immune to the crisis of Russia and Ukraine as these two countries are major producers of various key commodities such as oil, gas, wheat, and corn. This coupled with the dry weather conditions in the fiscal year, exacerbated inflation pressures in the region. Therefore, the imposition of sanctions to Russia and the consequent disruption of the supply chains led to soaring prices of commodities. The resulting inflationary pressures caused central banks to tighten monetary policy.

Moreover, we saw the escalation in construction material prices because of disruptions in supply chains and rising fuel costs also affected projects. To this end, the progress on construction works slowed down as contractors requested for extensions of time. We continue to navigate the bumpy path of balancing compliance while pragmatically solving the issues on the various projects to improve their progress.

Opportunities

Despite the downside effects and trade–offs, we took advantage of several opportunities.

Diversification opportunities in the regional equity markets

Diversification of the portfolio continues to be a continuous journey. The result is that over the years, we have managed to build resilience in the overall portfolio performance, irrespective of the times–the year ended 30 June 2023, is another testimony to that. The equity markets volatility continued throughout the end of the fiscal year with some counters experiencing fluctuations of more than 20%. We took advantage of the diversification opportunities in the market albeit with the constraint of liquidity because of significant payouts to fund benefits. The Nairobi Stock Exchange registered another consecutive year of net foreign outflows. This was driven by the overall negative market sentiment on account of heightened macro risks which saw foreign investors exit the market.

In Uganda, the market received the news in December 2022 that Government will not renew the concession of Umeme beyond 2025. Since the announcement, the market sentiment has not been negative. Another significant event was the Bank of Baroda (BOBU) rights 5–for–1 rights issue which saw the company price decline to a price of UGX 16 a share from UGX 80. The rights issue was triggered by a need to raise funds to comply with the increased capital requirements by Bank of Uganda. In Kenya, Safaricom began operations in Ethiopia. The results of Ethiopia affected its performance for the year which together with the macro issues of Kenya, and the performance of the Kenya Shilling, compounded its underwhelming share price performance.



6. OUR PERFORMANCE

Sustainability of the Fund's investments, climate change, and impact

When an organisation implements socially responsible initiatives, the overarching aim is to contribute to sustainable development. Responsible investment is not only an integral part of the Fund's investment thesis, but also part of sustainable development. We aim to identify long-term investment opportunities to reduce the Fund's exposure to unacceptable risks. Climate change is a major risk and mitigating it is the responsibility of all. We look at companies that enable environmentally friendly economic activity more favourably. Through our active engagement model, we can directly engage with our portfolio companies on a wide range of material ESG-related considerations to enhance their long-term value to the Fund. We align these efforts to the value drivers of our portfolio companies, tailoring our approach of assessing and evaluating the issues that are most material to the companies' long-term value creation and preservation. There are also companies we may choose not to invest in for sustainability or ethical reasons, for example, tobacco companies. On the other hand, we see merit in investing in companies with solutions that enable more environmentally friendly economic activity and sustainability.

Most of the blue-chip companies that the Fund has invested in have initiatives for inclusive prosperity, in addition to being chosen on account of providing a good return to members. For example, the Fund's investments in the financial and telecom services industry actively support the development of small, medium, and micro-enterprises (SMMEs) and entrepreneurship. This includes investments such as; Safaricom, MTN Uganda, Vodacom Tanzania, Stanbic Bank, Equity Bank, KCB Bank, Trade Development Bank, CRDB Bank, Bank of Kigali, NMB Bank, to mention, but some. Inclusivity is a key screening parameter the Fund considers when investing in companies. By investing in some of the companies mentioned, the Fund has indirectly taken advantage of the fintech innovations which have broken barriers by providing financial services to unbanked populations in the region thereby increasing financial inclusion to people living in rural areas.

Our top five (5) equity holdings depicted in Table 2 below constitute 47.03% of the equity portfolio and are strong on sustainability through foundations focusing on themes like; economic empowerment, education, health, energy and the environment, food and agriculture, social protection, to mention but some. When we track all companies in the equity portfolio that are strong on sustainability, they constitute about 77.50% of the equity portfolio.

Table 2: Top equity holdings and sustainability in the portfolio

	Counter	Amount (UGX 000)	%
1	MTN	336,600,000	14.43%
2	Tanzania Breweries Limited	213,391,443	9.15%
3	Trade Development Bank	189,162,568	8.11%
4	Safaricom Limited	184,250,266	7.90%
5	Equity Bank Holdings Plc	173,374,834	7.43%
6	Cooperative Rural Development Bank	141,733,471	6.08%
7	Kenya Commercial Bank	131,674,397	5.65%
8	National Microfinance Bank (NMB)	124,998,120	5.36%
9	East African Breweries Limited (EABL)	109,633,677	4.70%
10	Umeme Limited	89,695,482	3.85%
11	Tanzania Portland Cement (Twiga)	58,330,000	2.50%
12	Stanbic Bank Uganda Limited	54,684,148	2.34%
	Total	1,807,528,406	77.50%

Source: Internal

Although the Fund's 2 million Euro investment in the Yield Fund is less than 1% of the total equity portfolio, the impact created is remarkable. The impact objective of the Yield Fund when set up in 2017 was a total investment of 18 million Euros or UGX 73 billion to provide support to around 15 Small and Medium Agribusinesses (SMAs) on a rolling basis over five years, selected through a rigorous nationwide identification process. Pearl Capital Partners (PCP) is the fund manager for the Yield Fund. PCP concluded the investment period in January 2023 with investments made in 15 Agricultural SMAs throughout Uganda.

The 15 Fund investments are as summarised below:

- **SESACO Limited.**
This is a company that adds value to Soya bean. It is a food processing company. Some of the cereals are processed into beverages while others are milled and blended for nutritious foods.
- **Central Coffee Farmers Association (CECOFA).**
CECOFA is a 'farmer owned' organisation that brings together coffee farmers from the Central region (Wakiso, Masaka, Luwero and Bukuya, Kibale, Mpigi, Bukuga, Mubende), helping them improve their farming practices, access the international market, and receive free technical training and support in coffee farming.
- **Pristine Foods Limited.**
The company focuses on the production of extended shelf life for egg products with its core line of business being the manufacturing and sale of liquid, frozen, and powdered egg products.
- **Raintree Farms Limited.**
Raintree Farms is a company specialising in the value-added processing of Moringa Oleifera crops.
- **Chemiphar (U) LTD.** Chemiphar is a lab that tests the quality agro products/inputs ranging from foods and beverages, pharmaceuticals, cosmetics, fertilizers, animal feeds, etc.
- **Clarke Farm LTD.**
Clarke Farm is a 1,500-acre farm located in Kata bale, Kyarusozzi Kyenjojo district in Uganda dealing in coffee production and processing.
- **NASECO (1996) Limited.**
NASECO is a private Ugandan seed company that started the production of improved seed production in 1996 and is currently one of the leading innovators and producers of seeds in Uganda and the great lakes region.
- **Sausage King 3000 Limited.**
Sausage King is in the business of selling fresh and processed beef products to all income groups in Uganda.
- **Sekajja Agro Farms Limited.**
Sekajja Agro Farms Limited is involved in poultry farming and related business.
- **AMFRI Farms Limited.**
AMFRI farms limited engages in the production and processing of certified organic and bio dynamic demeter fruits, vegetables, herbs, cereals, and spices for export for almost two decades.
- **Pura Agri Tech limited.**
Pura Agri Tech is located in Nakasongola District and engages in cassava processing and value addition.
- **Enimiro Uganda.**
Enimiro engages in coffee and vanilla farming and dried fruit production.
- **KAMP Group Limited.**
KAMP Group Limited operates an animal feeds milling plant situated in Anaka town, Nwoya district, and has a distribution centre in Kisaasi, Kyanja in Kampala district. It specifically produces broiler feeds (starter, grower, and finisher); layer feeds (starter, grower, and finisher); pig feeds; goat feeds; rabbit feeds; and cattle feeds.
- **Newman Foods Limited.**
Newman Foods Limited started out in fresh produce export, expanded into processing chili sauces, and eventually ventured into the snacks business and through this business got to interact with farmers and suppliers. Examples of the fresh produce exported by Newman Foods Ltd include; garden eggs, hot pepper, ash plantain, pumpkins, matooke, peanuts, red coco yam, stem yam, green chilli, kisubi tea, onions, avocado, sugarcanes, coco yam, sweet potatoes, mangoes, ginger, yellow beans.
- **Quality Milk Dairies Ltd.**
Quality milk dairies Ltd engages in dairy production and has been in business for more than 18 years.

The impact proposition of the Yield Fund is based on generating an Economic Internal Rate of Return (EIRR), being the economic benefit derived because of the investment of at least 30% and is creating a minimum of 3,000 new jobs through the investee companies. The investee companies comply with acceptable ESG standards.

Our quest for sustainability also extends to real estate projects. The Fund's projects have employed over 3,000 Ugandans at the different sites with even more indirect jobs created. But most importantly, we have made a deliberate effort to incorporate sustainability in the master planning and designing of projects. The value chain of real estate investments is big to the extent that every shilling invested has a multiplier effect of 12 to 15 times. The sustainability frontier is extended to green building practices. The pension towers project is on course to getting the Green Building Certification—the project is expected to be completed in 2024. The Solana project at Lubowa won an international Green Building Award, from BCA Green Mark Awards. We are also adopting green building practices at the Temangalo project. Moreover, we aim to reduce energy costs by about 10% in the next two years using automatic lighting systems, energy-efficient fittings/appliances, and prepaid meters on the properties we manage like; Workers House, Social Security House, Jinja and Mbarara City Buildings.

6. OUR PERFORMANCE

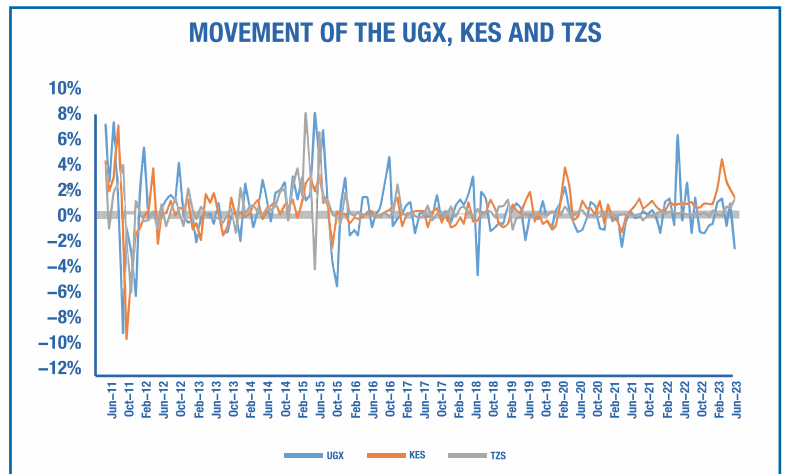
Investment beliefs

Foreign currency and hedging

Changes in foreign exchange rates on our non-Uganda Shillings investments have a substantial impact on short-term investment performance expressed in Uganda Shillings. The exchange rate loss in the fiscal year was UGX 1.05Tn compared to UGX 13.63 Bn last year. Some investors manage this risk with currency hedging, which reduces the shorter-term impact of foreign exchange rate changes on their returns.

From Figure 5, we see that over the period June 2011 to June 2023, the timing of large moves varied across the three currencies, with the UGX most vulnerable to wild swings reflecting the openness and narrowness of Uganda's economy which exposes the currency to global headwinds. On the other hand, the KES and TZS have seen a stable yet steady depreciation except in 2011, 2015, 2020 and 2023 when they could not resist wild swings.

Figure 5: Movement of the UGX, KES and TZS against the USD



Source: Internal Computations

Movements in the UGX tend to be more correlated with the KES (a correlation of about 32%) reflecting the closer trading relationship between the two countries. The correlation between the UGX and TZS is low at 3.2% rendering Tanzanian assets as diversifying opportunities for the Fund's portfolio. The KES and TZS have the highest correlation of 38%. Indeed, both currencies often move in the same direction against the UGX. This explains why periods of FX gains or losses from Kenya tend to be associated with gains or losses in Tanzania.

Hedging carries a significant execution cost, however, and requires setting aside cash or at times generating it quickly to meet currency hedging contract obligations. The Fund's investment strategy sees currency risk as a potential source of incremental return.

We believe that extensive hedging of foreign investments is not appropriate for the Fund for the following reasons:

- For a Ugandan investor, hedging foreign equity returns tends to increase, rather than reduce, overall return volatility. The Uganda Shilling tends to strengthen when global equity markets are rising and weaken when they are falling. This is partly due to the Uganda Shilling's status as a commodity currency. Regional currencies tend to depict the same trend and are positively correlated with the Uganda Shilling. The extent of the differences is largely explained by demand and supply and openness of the respective country's currency market, with Uganda being the most open.
- The cost of hedging currencies of many developing countries and frontier markets is high. If these countries continue to experience higher productivity and economic growth as their economies mature, their currencies should strengthen over time. That would make a hedging programme a long-term drag on returns.
- We mitigate the volatility of individual exchange rates by holding a broadly diversified set of currency, market timing for specific securities and country allocation.

In-house asset management

During this fiscal year, we conducted an asset allocation and investment strategy review, focusing on our comparative advantages, and eliminating costly fees. This reinforces our stance on in-house asset management. Keeping the bulk of the assets under internal management saves the Fund over UGX 30Bn (that could be even more) a year in fees. Internal management is less than a third of that cost. We believe that the Fund's respected brand allows us to attract, motivate and retain high-caliber investment professionals and operational specialists. It also helps differentiate the organisation in hotly contested markets for select investments. Our investment programme is designed to capture regional growth while also demonstrating resilience during periods of market uncertainty. Our team of professionals corroborate information from across the region to apply their deep expertise and local knowledge to source investment opportunities, engage with world-class partners and build value in our existing assets.



Real estate and alternatives

Not many schemes have real estate and alternative investments as an asset class because of their inherent risks. We believe that over the years, despite legacy issues, we have built the capacity to turn this into a distinct opportunity and advantage for the Fund going forward. Real estate offers diversification opportunities for the Fund. Its impact and effectiveness are most seen when the equity markets are volatile, like what we saw last year—even a single digit positive return is better than a negative return. Our goal is to make this return a double digit going forward.

Long-term investment approach

We believe in a long-term investment approach. The investment team has the scale to engage in almost every capital market and investment opportunity in the East African region. The unique characteristics of the Fund, together with the circumstances that we can benefit from or control, drive our investment strategy. The Fund manages an investment portfolio to meet its current and future obligations over the long term, including paying benefits in a timely fashion, generating real long-term annualised returns, and minimising the likelihood of a substantial, sustained drawdown of its assets. Consequently, we can withstand short-term downturns to create value over the long run. The progress made since the last fiscal year is summarised in Table 3 below:



Table 3: The progress made since the 2022 investment review

No.	Item	Progress
(a)	Reducing the allocation to fixed income to 75% of the investment portfolio. The minimum allocation is 70% while the maximum is 82.5%	This target remains largely a work in progress as most of the opportunities to absorb the kind of liquidity of a scheme of our size tend to exist in the fixed-income asset class. Nevertheless, we managed to keep the allocation flat at 78.48%.
(b)	Increasing the allocation to equities to 17.5% of the investment portfolio. This will include listed and private equity. The minimum allocation is 12.5% while the maximum is 20%.	This target weight is still a work-in progress. In the fiscal year, allocation to equities remained flat at 12.51% on account of fall in equities largely on NSE.
(c)	Maintaining the allocation to real estate at 7.5% of the investment portfolio. This will include investing in build and sell projects, commercial and mixed-use properties, and land banking. The minimum allocation is 5% while the maximum is 10%.	This was largely achieved. The Mbuya Citadel is now fully sold. The completion of Lubowa and progress at Pension Towers did not increase the allocation out of the range. It closed at 9%.
(d)	Unlocking the value of real estate land by producing concepts to have it developed.	Construction works are ongoing in Temangalo and Mbale. Progress was also made on the Pension Towers and Lubowa projects. There were delays in acquiring land in Gulu and completing the procurement of a design and build contractor for Yusuf Lule Road.
(e)	Diversifying by country (within the investment universe), asset class, sector, currency, and many other risk factors.	This continues to be a work-in progress. We deployed UGX 65Bn in equities. This was informed by the liquidity available. We were also affected by the disruptions in Fund activity in the last half of the fiscal year.
(f)	Exploring new asset classes that improve the risk-return profile of the Fund and working with the regulator to have them cleared.	We continue to engage the regulator and other partners on securities lending and launching several products.

The plans for the year ahead: the macroeconomic and market environment

On average, we expect the economies of the countries we invest in to register an average growth of 5.5% with inflation within the targeted range of 5% to 7%. We expect yields to remain elevated in Kenya and to gradually rise in Uganda and Tanzania in the short to medium term. In this current high-yield and expected growth environment, we will strive to execute on our strategy of achieving a double-digit return target. These challenging times require innovation and an understanding of our structural advantages.

Outlook

Our investment management strategy focuses on achieving the following goals:

- a) Setting a well-thought-out asset allocation that balances the collection of acceptable risks.
- b) Carefully selecting and sizing a range of strategies that we believe can achieve our investment objectives.

We will continue to employ a total portfolio investment framework designed to optimally achieve the above dual goals. We are committed to the Fund's purpose and mission of achieving competitive returns that, over the long run, will empower members to achieve economic security and believe in saving as a way of life. We are also committed to the success and sustainability of our programmes.

Our mission remains the same: manage the Fund's investment portfolio in a cost-effective, transparent, and risk-aware manner to generate returns that create value for members. We are confident that the combination of skilled and professional investment staff and a well-considered investment strategy, will enable the Fund to deliver robust performance over the long term.

Gerald Paul Kasaato, CFA
Chief Investment Officer

6. OUR PERFORMANCE

Investment performance explained

During the year, we reviewed our strategic asset allocation (SAA). We changed the optimal weight targets to 75 percent, 17.5 percent and 7.5 percent for fixed income, equities, and real estate, respectively. This suggests an overall modest risk profile. The asset mix as of 30 June 2023, is depicted in Table 4 below:

Table 4: The Fund's asset mix as of 30 June 2023

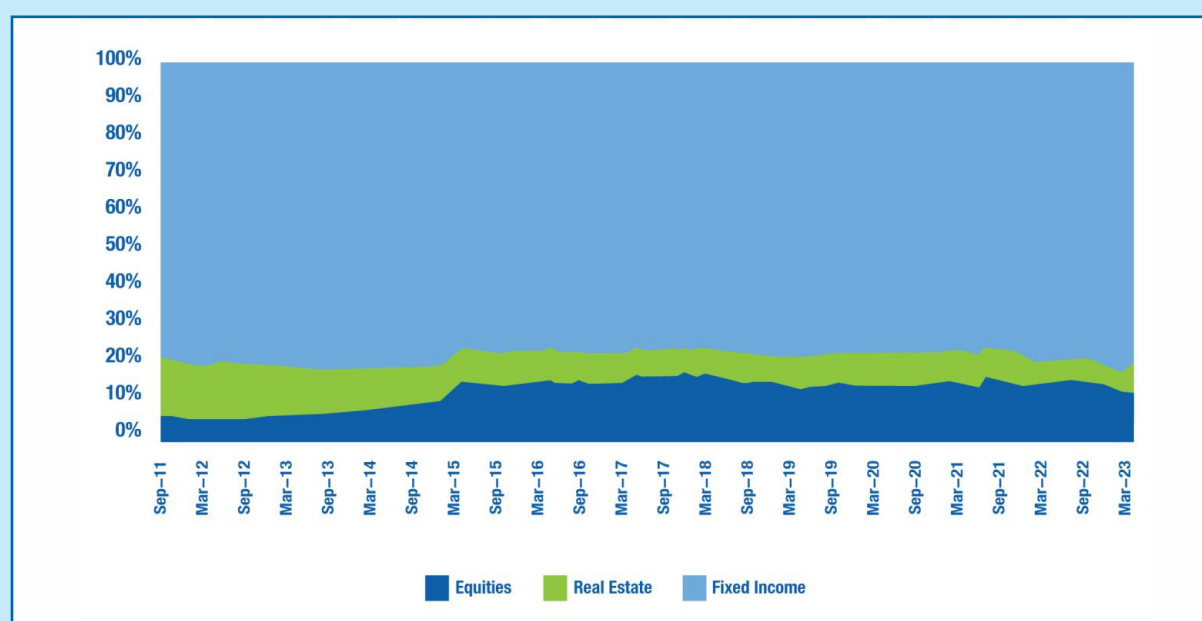
No.	Asset Class	Allocation	Performance	Weighted Performance	Sharpe Ratio
1	Equities	12.51%	-4.80%	-0.60%	1.45
2	Real Estate	9.01%	5.70%	0.51%	0.11
3	Fixed Income	78.48%	10.45%	8.20%	61.29
		100.00%		8.11%	6.17

Source: Internal

The asset mix trend over the last twelve years is depicted in Figure 6 below.

Essentially, the investment mix is predominantly skewed towards fixed income—for several reasons. However, there have been deliberate efforts to diversify the investment portfolio since 2011. This has resulted in more allocation to equities and a reduction in real estate allocation. This is mainly attributed to the slow absorption of funds into projects caused by a rather bureaucratic process of procurement and contract management.

Figure 6: The Fund's asset mix trend for the last twelve years



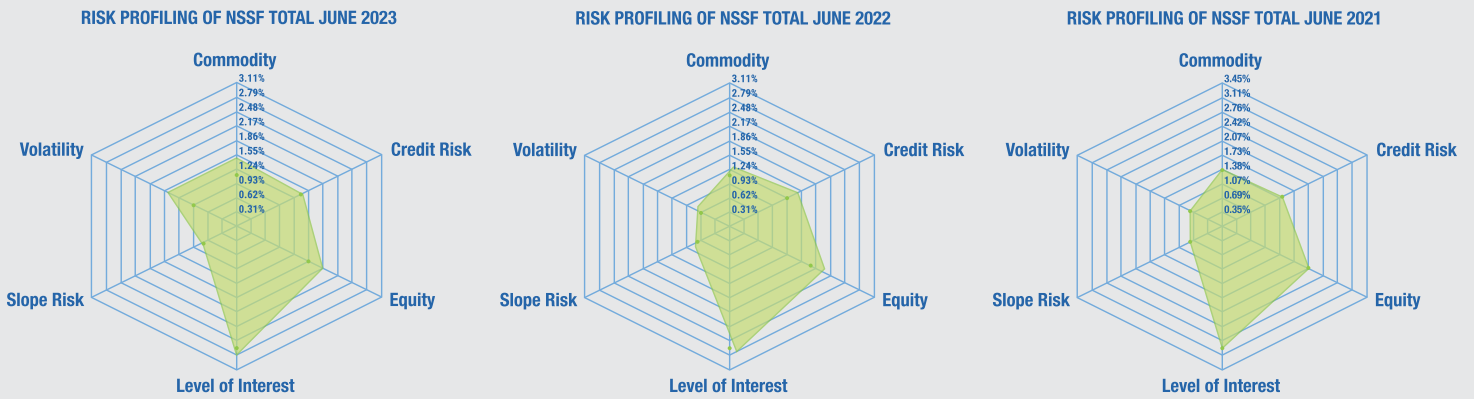
Source: Internal

Nonetheless, we believe that having a moderate risk profile for the asset allocation is reasonable for several reasons:

- It recognises the inherent constraint posed by the nature of capital markets where the Fund invests—small, illiquid, concentrated in a few sectors and not deep. We still have a few listings on the stock exchanges and the free float of several companies is less than 50%. This is exacerbated by the dominance of the financial services and telecom sector.
- It recognises the need for sufficient liquidity for asset/liability matching needs. This helped us fund the spike in benefit payouts after midterm access.
- It takes advantage of the relatively attractive interest rates and stable inflation in Uganda and the East African region.
- It augurs well with the investment governance structure.
- It still allows us to recognise the need to search for growth of the assets by taking calculated risks. There is no return without risk. We believe that the Fund can earn sufficient risk premiums by leveraging its liquidity and long-term investment horizon.

The investment portfolio is mainly exposed to six risk factors as depicted below. The exposure to these risk factors has largely stayed the same if you observe the periods of 30 June 2021 to 30 June 2023.

Figure 7: The Fund's investment portfolio broad risk factors



The biggest exposure of the portfolio is the level of interest rates. This is consistent with the large allocation to fixed income and investments in interest rate-sensitive stocks like financial services companies, mainly banks. The other key risk factors are market volatility, company-specific factors, and credit risk. Equities explain most of the volatility of the portfolio occasioned by the change in prices on the stock exchanges. Uganda being a frontier market also explains the existence of commodity and credit risk as key risk factors for the portfolio.

Diversification efforts

The fixed income portfolio stood at 78.5% of total assets while the equity and real estate portfolios stood at 12.5% and 9.0% respectively. Compared to one year ago, the allocations to fixed income and real estate largely remained flat. These allocations are consistent with the Fund's preferred strategic exposures as per the SAA limits in Table 5 below.

Table 5: Asset class allocation

Asset Class	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	SAA
Fixed Income	77.62%	78.09%	76.49%	76.94%	77.30%	78.41%	78.46%	79.14%	78.48%	75.00%
Equity	14.82%	14.36%	16.08%	15.53%	15.30%	14.13%	13.88%	13.26%	12.51%	17.50%
Real Estate	7.56%	7.55%	7.43%	7.53%	7.40%	7.46%	7.67%	7.60%	9.01%	7.50%
Total	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Internal



6. OUR PERFORMANCE

Fixed income

We continued to take advantage of opportunities in the fixed income markets in both Uganda and the region, albeit in a constrained way. The fixed income asset class recorded a return of 10.45%, a decrease from 15.11% recorded the previous year. Table 6 below illustrates the movement in the regional yield curves.

Table 6: Regional yield curves movements

Tenor	Uganda			Kenya			Tanzania		
	Jun-23	Jun-22	Change	Jun-23	Jun-22	Change	Jun-23	Jun-22	Change
91 days	9.34	7.87	0.19	8.10	6.86	0.18	2.65	3.30	-0.20
182 days	10.73	9.01	0.19	9.20	7.32	0.26	2.56	3.57	-0.28
364days	11.78	11.06	0.06	9.99	7.73	0.29	4.73	5.03	-0.06
2 years	12.29	13.71	-0.10	11.56	9.43	0.23	4.40	7.89	-0.44
5 years	14.26	15.02	-0.05	12.29	11.12	0.11	8.94	9.10	-0.02
7 years	14.53	15.28	-0.05	13.00	11.85	0.10	9.33	10.14	-0.08
10 years	14.79	15.60	-0.05	13.59	12.26	0.11	10.34	11.60	-0.11
15 years	15.29	16.19	-0.06	13.88	12.88	0.08	11.27	13.61	-0.17
20 years	15.31	17.63	-0.13	13.92	13.27	0.05	12.01	15.41	-0.22
25 years				13.94	13.53	0.03	12.36	16.34	-0.24

Source: Internal

There was an upward shift in the yields along the curve in Kenya, where we invested in the second half of the year. Consequently, the improvement in yields did not significantly improve our income. Moreover, yields in Uganda and Tanzania declined significantly over the year. Nonetheless, the Fund mainly invests in the long-end segment of the yield curve to match the duration of its member fund.

Equities

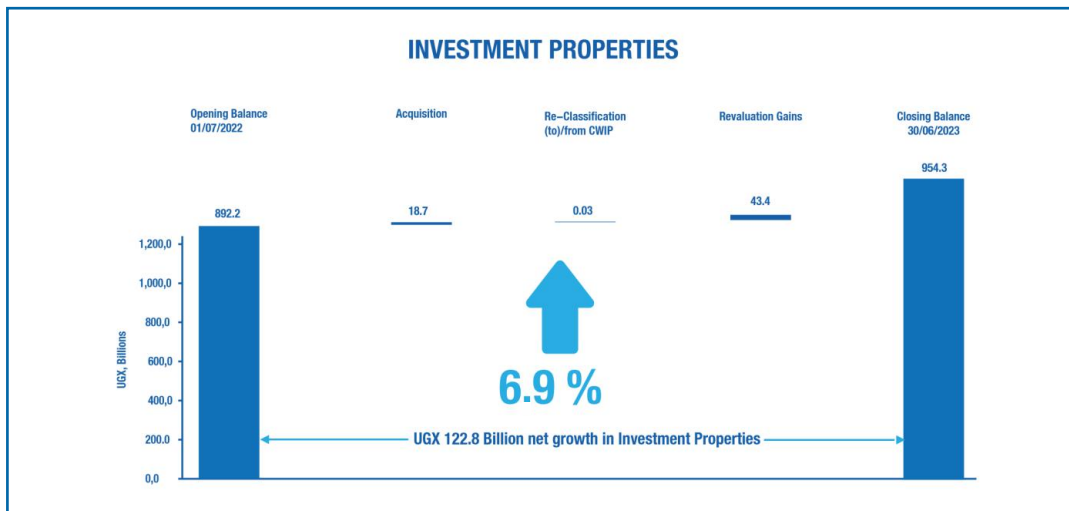
The equity portfolio generated a return of a negative 4.8% during the year ended 30 June 2023. This was primarily driven by forex and capital losses in the Kenyan market due to a challenging macro environment post-election. Following the election of H.E William Ruto, tough measures intended to improve the fiscal position were taken that initially caused unrest and resistance. These include the Finance Bill of 2023 which eliminates subsidies, doubles VAT on fuel to 16%, increases to tax rates for high-income earners and reductions in current recurrent and capital expenditure. As a result, protests were held which spooked investors while inflationary pressures from global conditions meant the country was in a tough position to implement new measures. Consequentially, the NSEASI suffered price depreciations as foreign investors became net sellers on the country's macro issues and negative sentiments around possible spikes in NPLs in the banking sector and Safaricom's challenges in Ethiopia. As an index, the NSEASI lost 14.04%. In local currency with notable losers Safaricom (30 percent) and KCB (2%) while the forex loss of 22.22% exacerbated the loss to over 34%.

Despite the Kenyan situation, the Fund's equity portfolio losses were cushioned by Tanzanian counters that returned 14.9% due to attractive dividends and capital gains from CRDB (28%), NMB (20%) and TWIGA cement (17.5%) and associates that returned 15% due to good dividend yields from UMEME and Housing Finance Bank justifying the Fund's diversification strategy across different countries and sectors in the equity markets.

Real estate portfolio

We hold real estate assets to realise capital gains and earn income. Over 70% of this asset class comprises undeveloped land. The strategy is to continuously work towards unlocking the value of some of the prime land through either, commercial developments for rent or the sale of residential units. The entire real estate portfolio (including non-income generating assets) yielded 5.70% during the financial year to June 2023 which is the same that was recorded last year. This return is mainly attributed to capital gains and sale of residential housing units. The illustration below shows the build-up of the investment properties for the financial year ended 30 June 2022:

Figure 8: The growth in the Fund's investment properties over the last year



Real estate project information update

Lubowa Housing Project

The Lubowa Housing Project is conceptualised as a self-sustaining satellite city with mixed-use housing and commercial developments on approximately 600 acres. The project is intended as a phased development with construction starting with an initial 306 housing units on 78 acres. Phase 1 will comprise of four (4) distinct house types: Apartments, Bungalows, Townhouses, and Villas.

The progress so far:

Construction works for all house types were completed by 30 June 2023. We have since commenced selling and the market response has been excellent.



6. OUR PERFORMANCE

Temangalo Housing Project

This project is expected to have 3500 units when completed. Phase one is currently under construction and is sitting on about 70 acres. The progress is about 48%. It will have 10 house types.



Pension Towers

Pension Towers is conceptualised as an intelligent and modern commercial complex comprising 3 Towers (with a height of 32 floors) all sitting on four basement floors for parking. The total built-up area will be approximately 75,000m² that will house office and retail space. The project has frontage on both Lumumba Avenue and Nakasero Road.

The progress so far

Construction works are ongoing and as of 30 June 2023, the progress was estimated at 80%.



2023/2024 Outlook

We intend to continue with portfolio rebalancing. For the fixed income asset class, this will be done by exploring corporate bonds and structured product opportunities. We will also continue to seek more diversification opportunities within Uganda and the East African region.

In the equity asset class, we will explore opportunities in all the markets where we invest. Private equity also remains high on our radar.

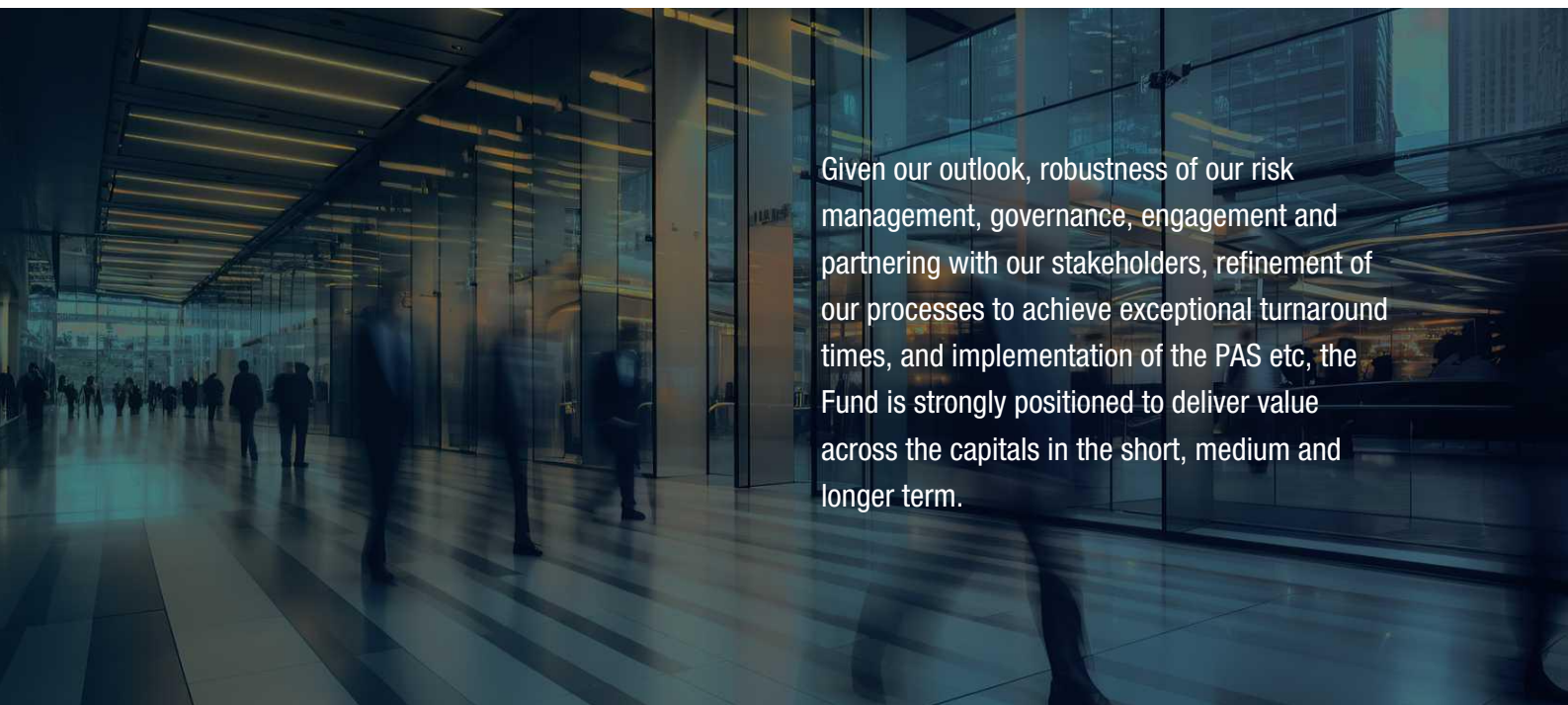
In the real estate asset class, the strategy is to continuously work towards unlocking the value of some of the prime land through either undertaking commercial and mixed-use developments for renting out or building residential houses for sale. A total of 70% of the real estate class comprises undeveloped land. Developing the land is one of the ways of unlocking the accumulated value over time.

Outlook

We have presented our integrated report to provide all our stakeholders with balanced and transparent information, which can assist them in making more informed assessments of the organisation's prospects (including its viability/ sustainability) and value creation ability into the future.

The information in this Outlook is essential when reporting to stakeholders as it completes the value creation story of the Fund as told in our report, which will also continue to evolve over coming years.

The information below covers the Fund's strategic path ahead – the Leadership's view of the material uncertainties, disruptive factors, challenges that may affect the achievement of the strategic objectives and the potential implications, as well as the opportunities that have been identified. We present the information under each of the six capitals.



Given our outlook, robustness of our risk management, governance, engagement and partnering with our stakeholders, refinement of our processes to achieve exceptional turnaround times, and implementation of the PAS etc, the Fund is strongly positioned to deliver value across the capitals in the short, medium and longer term.

6. OUR PERFORMANCE

Outlook for the Year Ahead



FINANCIAL CAPITAL

STRATEGIC PRIORITIES

Increase contributions

Increase income earned

Improve cost efficiency

CHALLENGES, UNCERTAINTIES, AND DISRUPTIVE FACTORS

KPI:

COMMITTEE OVERSIGHT



KEY CHALLENGE:

The Fund has reached maturity and requires new sources of growth going into the next strategy cycle. The period was also characterised by our equity portfolio suffering from increased market volatility.

Minimum return of 10–year inflation +2%



Investments and Project Monitoring Committee (IPMC)

MITIGATING FACTORS/OPPORTUNITIES

MEASURES UNDERTAKEN TO ADDRESS THE CHALLENGE:

The Fund continues to explore opportunities in alternative investments such as major oil and gas sectors, and investment in the major infrastructure projects within Uganda. This will provide the opportunity to diversify our investment portfolio and curtail some of the investment risks in our current exposure.

TREND DURING THE REPORTING PERIOD:

Our annual collections during the year (UGX 1.72Tn) were 6.2% above target. The reason for the above–target collections is due to an increase in employer compliance levels. The positive outcomes can be attributed to the advantages derived from partnerships and ongoing compliance campaigns. These campaigns are aimed at educating and informing employers about their obligations and providing them with the necessary support and guidance to meet those obligations.

The Fund's actual growth was UGX 0.56Tn below target as at the end of June 2023 mainly because of the high benefits pay out (UGX 1.199Bn) and unrealised foreign exchange losses (UGX 1.151Bn) mainly due to the appreciation of Ugandan shilling against the Kenyan shilling. However, the members fund, at UGX 18.15Tn, is adequately covered by the Asset and the Fund is solvent.

OUTLOOK

In the forthcoming year, the Fund's asset allocation strategy will be meticulously designed to provide steadfastness in the returns yielded for our members. We shall continue to evaluate our strategic asset allocation, with a specific emphasis on integrating additional "alternative assets" into our portfolio. This strategic approach aims to mitigate risks and amplify returns for our investors. Our paramount objective is to guarantee the delivery of an interest on member savings that surpasses long–term inflation rates by a margin of at least 2%.

Legend: Increasing ↑ Reducing ↓ Stable ↔

 **MANUFACTURED CAPITAL**

STRATEGIC PRIORITIES

Improve data quality | Improve governance, compliance, and risk management | Implement hyper-automation of all core business processes

CHALLENGES, UNCERTAINTIES, AND DISRUPTIVE FACTORS

KEY CHALLENGE:
↑ Delays in payment of member benefits

KPI:

Our strategic target is to pay member benefits in 1 day. Over the coming 12 months we plan to move this to under 7 days.

COMMITTEE OVERSIGHT

 Finance Committee

MITIGATING FACTORS/OPPORTUNITIES

MEASURES UNDERTAKEN TO ADDRESS THE CHALLENGE:

The Fund onboarded OctoPAS, a next generation Pension Administration System. Its implementation has been advancing consistently and we are on track for the final migration and Go-Live.

TREND DURING THE REPORTING PERIOD:

During the financial year, the Fund's primary focus was to enhance capacity within the IT Project Team. Efforts were made to identify additional opportunities to customise OctoPAS, thereby expanding the range of products and services offered in the short and medium term.

The benefits payout turnaround times remained largely unchanged at 11.9 days, only a slight improvement from 12.3 days in the previous financial year, primarily due to system limitations. Substantial resources and dedication are now being directed towards business process re-engineering and system customisation to expand and enrich the range of products and services available to our clients. There is confidence that eventually, the system will enable us to increase the number of beneficiaries claiming while reducing the TAT to 1 day and resolve process challenges, especially at the verification stage, as well as cashflow issues during the peak period when interest is declared.

OUTLOOK:

In the upcoming year, our primary focus will revolve around re-engineering and optimising the benefits process to align with our strategic goal of processing benefits within a single day. Key initiatives entail streamlining and improving customer experience by integrating benefits applications, contributions, registration, and member updates through external channels for enhanced convenience. We aim to develop specialised group channels for specific client segments, utilising real-time feedback to facilitate rapid customer communication and employing automation to refine back-office processes related to contributions and contract management.

6. OUR PERFORMANCE



HUMAN CAPITAL

STRATEGIC PRIORITIES

Fully operationalise the new organisation structure

Enhance talent management

Promote Diversity, Equity, and Inclusion

CHALLENGES, UNCERTAINTIES, AND DISRUPTIVE FACTORS



KEY CHALLENGE:

Maintaining an agile, portable, and engaged workforce given the new operating environment. Effectively implementing the new Fund structure while minimising any negative impact on our operations.

KPI:

Staff satisfaction rating of 95%

COMMITTEE OVERSIGHT



Staff Administration and Corporate Affairs Committee (SACA)

MITIGATING FACTORS/OPPORTUNITIES

MEASURES UNDERTAKEN TO ADDRESS THE CHALLENGE:

During the year, to meet the needs of its members and enhance the customer experience, the Fund continued to realign its operating model. This process included the creation of new roles and the dissolution of positions that were no longer relevant. The Fund also implemented several staff re-skilling programmes to equip staff with the required skills to succeed in the new operating environment.

TREND DURING THE REPORTING PERIOD:

Staff members remain at the core of ensuring a robust and enduring Fund. Throughout the year, the Fund attained a staff engagement score of 83%. It maintains a hybrid work approach, enabling employees to choose between remote work and office presence, thus contributing to its continued strength and adaptability.

During the financial year, the Fund undertook a comprehensive evaluation and reorganisation of its business procedures and personnel framework. The objective was to nurture a workforce that is agile and well-equipped to accommodate evolving business demands. In addition, the Fund introduced two transformative initiatives: the Pathfinder Mentoring Programme, aimed at cultivating ongoing professional growth for all employees through collective knowledge; and the Pathfinder Catalyst Academy, designed to empower female staff by providing skills and confidence to advance their careers and contribute to gender equality.

OUTLOOK

Our key focus is on elevating staff innovation and productivity, which will be achieved by implementing agile methodologies to create a flexible and dynamic work environment. Additionally, we plan to introduce motivational initiatives aimed at continuously engaging and empowering our staff for optimal performance. Over the course of the coming year, the Fund will continue to enhance its Mentorship Programmes to drive the agenda of diversity, equity, and inclusion



INTELLECTUAL CAPITAL

STRATEGIC PRIORITIES

Enhance brand image

Support business growth

Enhance product development

CHALLENGES, UNCERTAINTIES, AND DISRUPTIVE FACTORS

KPI:

Customer satisfaction rating 95%

COMMITTEE OVERSIGHT



Finance Committee



KEY CHALLENGE:

The reputation of the Fund suffered considerable damage due to adverse media coverage stemming from investigations by the Parliamentary probe, Auditor General, and Inspector General of Government (IGG).

MITIGATING FACTORS/OPPORTUNITIES

MEASURES UNDERTAKEN TO ADDRESS THE CHALLENGE:

The Fund took steps to address the concerns highlighted by Parliament and the IGG. We not only devised a transparent stakeholder engagement strategy but also took concrete measures to address the identified issues. In addition, the findings from the investigations are being smoothly integrated into the Fund's policies and procedures, ensuring a forward-looking approach that aims to prevent the recurrence of similar issues in the future.

TREND DURING THE REPORTING PERIOD:

The overall Customer Satisfaction Index (CSI) score has experienced a notable improvement, reaching 85% (FY2022: 82%). This can be largely attributed to the heightened satisfaction levels among users regarding the Fund's products, as observed in the broader CSI evaluation. However, there has been a minor decline in the Brand's image compared to the preceding year. This shift in perception is particularly evident in the brand equity index, which decreased to 71% from 74% in the previous year. This reduction in brand equity stems from a decrease in brand engagement and members' sentiments.

OUTLOOK:

Over the coming year, the Fund is looking to thoroughly execute the recommendations from investigations, ensuring that they are fully embraced and implemented by all relevant stakeholders and responsible parties.

6. OUR PERFORMANCE



SOCIAL AND RELATIONSHIP CAPITAL

STRATEGIC PRIORITIES

Enhance strategic partnering

Improve customer engagement and satisfaction

CHALLENGES, UNCERTAINTIES, AND DISRUPTIVE FACTORS

KEY CHALLENGE:
↔ The Fund faces a significant challenge due to its limited product range, which currently does not adequately address the short-term and medium-term needs of its members.

KPI:

Customer satisfaction index of 95%

COMMITTEE OVERSIGHT



Finance Committee

MITIGATING FACTORS/OPPORTUNITIES

MEASURES UNDERTAKEN TO ADDRESS THE CHALLENGE:

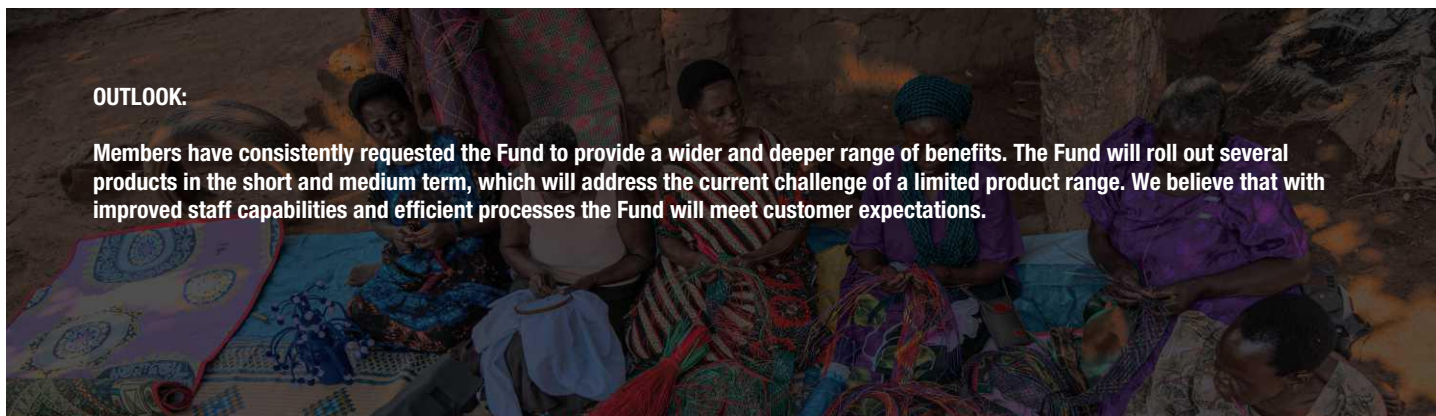
After the NSSF Act was amended and officially enacted, the Fund received a new mandate to encompass all categories of workers. The revised law also empowered the Fund to extend its services, offering a broader spectrum of benefits and addressing a wider array of risks encountered by its members. Currently, the Fund is in the concluding phases of securing approval for additional products, particularly within the voluntary sector.

TREND DURING THE REPORTING PERIOD:

During the year, we were able to develop a target savings product known as Smart Life which includes key features such as registration/enrolment, contributions through multiple channels (mobile money, banks, and Visa payments), interest calculation, payment of benefits, and financial reporting through ERP. The final deployment and Go-Live of Smart Life will occur after obtaining the necessary regulatory approvals and gazetting of associated regulations

OUTLOOK:

Members have consistently requested the Fund to provide a wider and deeper range of benefits. The Fund will roll out several products in the short and medium term, which will address the current challenge of a limited product range. We believe that with improved staff capabilities and efficient processes the Fund will meet customer expectations.





NATURAL CAPITAL

STRATEGIC PRIORITIES

Reduction in paper consumption

Improving energy and water management

CHALLENGES, UNCERTAINTIES, AND DISRUPTIVE FACTORS



KEY CHALLENGE:

Combating climate change; taking a sustainable approach to waste management; and minimising usage of water resources and energy.

KPI:

Annual saving of 15% on water and energy bills

COMMITTEE OVERSIGHT



Staff Administration and Corporate Affairs Committee (SACA)

MITIGATING FACTORS/OPPORTUNITIES

MEASURES UNDERTAKEN TO ADDRESS THE CHALLENGE:

In pursuit of operational efficiency and energy management, the Fund implemented several strategies. We prioritised preventing energy wastage and complying with energy regulations. Electricity powers our buildings through a UMEME distribution feeder and backup diesel generator. Our energy-efficient initiatives included maximizing daylight, promoting LED lighting, installing smart lighting controls, using occupancy sensors, and optimising elevator use. These efforts demonstrated our commitment to energy efficiency and regulatory adherence, reinforcing positive changes in our facilities.

In addition, the Fund managed water and waste in alignment with regulations outlined in Section 4.2 of Global Environmental Health and Safety (GEHS) guidelines, focusing on water monitoring and management. To conserve water, the following actions were taken during the year water reservoir installation, push tap installation, shutdown of water in unused areas, and closed-circuit cooling systems.

TOTAL SAVINGS:

- As of end of June 2023, the fund attained 28% savings on energy usage on both Social Security Houses and Workers House.
- There was a 6% increase in water consumption (FY2022: -27%) – The increase in water usage costs was due to the increase in commercial rates for water from a unit cost of UGX 4.473M to UGX 4.920M.

OUTLOOK

In the upcoming year, the Fund will collaborate with Ecoplastile Limited through its Hi-Innovator programme to further contribute to reducing the global carbon footprint. This initiative involves recycling plastic and glass waste into quality blocks and tiles, aiming to decrease pollution and promote a green economy in the long term. We aim to explore the possibility of harvesting rainwater in FY 2023/2024 to achieve more savings on water usage.

Financial Definitions

Total Revenue (UGX)

Income generated from various investment activities associated with the main operations of the Fund and shown before any costs or expenses are deducted.

Realised Revenue (UGX)

Profits or income from completed transactions.

Unrealised Revenue (UGX)

Profits or income occurring on paper, but the relevant transactions not yet completed. Also called paper profit or paper income, because it is recorded on paper but has not actually been realised. It includes gains on; Revaluation, Equity Investments and Foreign Exchange.

Cost of Administration

Total operating costs/expenses, associated with company management, direction, policy or business activities/Operations.

Accumulated Members' Funds

Total amount of money collected over a period of time from employees and other contributors in the private sector plus interest credited to members over time.

Interest to Members

Amount credited to members accounts based on the income earned from various investments.

Asset Growth

Movement in Total Assets.

Return on Average Investment (%)

Gain generated on an investment relative to the amount of money invested.

Cost Income Ratio (%)

Total Operating Costs expressed as a percentage of Total Income.

Return on Member's Fund (%)

Gain generated in the period expressed as a percentage of Member Fund balance.

Compliance Level (%)

Active members contributing consistently as a percentage of total active members.

Strategic Assets Allocation

A portfolio strategy that involves setting target allocations for various asset classes and re-balancing periodically.

Dividend Income

A distribution of a portion of a company's earnings, decided by the Board of Directors, paid to a class of its shareholders.

Share of Results Profits from Associate/Fair Value Gain on Associates

A portion, allocation or share of Investee company profits in which the Fund owns a significant portion of voting shares (20 – 50%).

Fair Value

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investment Portfolio

A compilation of investment assets designed to achieve a specific investment objective based on parameters such as risk tolerance, time horizon, asset preference, and liquidity needs with a potential to achieve the desired returns, while minimising risk and volatility through proper diversification and balance.

Fixed Income Portfolio

Assets or securities in an investment portfolio paying regular income in the form of coupon, interest and principal at maturity.

Equity Portfolio

Stock or any other security in an investment portfolio representing an ownership interest in Investee companies.

Real Estate Portfolio

Physical securities and assets in investment portfolio purchased, owned, sold, managed for rental income for a profit.

Convexity

Convexity is a measure of the degree of the curve, in the relationship between bond prices and bond yields. It demonstrates how the duration of a bond changes as the interest rate changes. We use it as a risk-management tool, to measure and manage out portfolio's exposure to interest rate risk.

Sharpe Ratio

Sharpe Ratio is the average return earned in excess of the risk-free rate per unit of volatility or total risk. Subtracting the risk-free rate from the mean return allows us to better isolate the profits associated with risk-taking activities. The greater the value of the Sharpe ratio, the more attractive the risk-adjusted return.

Discontinued Operations

This relates to operations that were ceased during the financial year due to disposal or cessation.

Fund Reserves

Fund reserves relate to accumulated special contributions received in accordance with Section 13 (1) and Section 14 (1) of the National Social Security Fund Act, (Cap 222).

Emphasis of Matter

A paragraph included in the auditor's report that refers to a matter appropriately presented or disclosed in the financial statements that, in the auditor's judgment, is of such importance that it is fundamental to users' understanding of the financial statements.

Key Audit Matter

A key audit matter is that which in the auditor's professional judgment was of most significance during the audit of the financial statements.

Acronyms

ACCA	Association of Chartered Certified Accountants	FUE	Federation of Ugandan Employers
ADA	Advanced Digital Archival	GRI	Global Reporting Initiative
ADF	Allied Democratic Forces	HFB	Housing Finance Bank
AI	Artificial Intelligence	HR	Human Resources
AMM	Annual Members Meeting	IAS	International Accounting Standards
ARC	Audit and Risk Assurance Committee	IASB	International Accounting Standards Board
BA.	Bachelor of Arts	ICPAU	Institute of Certified Public Accountants of Uganda
B2B	Business-to-Business	IFRS	International Financial Reporting Standards
B2C	Business-to-Customer	ILO	International Labour Organisation
Bn.	Billion	IPMC	Investment and Project Monitoring Committee
BRITAM	British-American Investments Company	ISSA	International Social Security Association
Bsc.	Bachelor of Sciences	ISSB	International Sustainability Standards Board
BUBU	Buy Uganda Build Uganda	IMF	International Monetary Fund
CAGR	Compound Annual Growth Rate	Info	Information
CBD	Central Business District	IT	Information Technology
CBK	Central Bank of Kenya	IVR	Interactive Voice Response
CBR	Central Bank of Rwanda	K	Thousand
CBR	Central Bank Rate	KAVC	Kampala Amateur Volleyball
CCW	Customer Connect Week	KCB	Kenya Commercial Bank
CEO	Chief Executive Officer	KCCA	Kampala Capital City Authority
COFTU	Central Organisation of Free Trade Unions	KES	Kenyan Shilling
CMA	Capital Markets Authority	KYC	Know Your Customer
CMP	Crisis Management Plan	KPI	Key Performance Indicator
CRDB	Cooperative Rural Development Bank	LAPSNET	Legal Aid Providers Network
CSA	Control Self-Assessment	M	Million
CSI	Corporate Social Investment	MBA	Masters Degree in Business Administration
CSR	Corporate Social Responsibility	MDF	Medium Density Fibreboard
DEI	Diversity, Equity and Inclusion	MoFPED	Ministry of Finance, Planning and Economic Development
DIT	Directorate of Industrial Training	MoGLSD	Ministry of Gender, Labour and Social Development
DRC	Democratic Republic of the Congo	MOH	Minister of Health
DRP	Disaster Recovery Plan	Msc.	Masters Degree in Science
DSE	Dar-Es-Salam Stock Exchange	MSCI	Morgan Stanley Capital International
DFCU	Development Finance Company of Uganda Bank Ltd	MTA	Midterm Access
EABL	East African Breweries Limited	NEMA	National Environmental Management Authority
ECASSA	East and Central African Social Security Association	NIRA	National Identification and Registration Authority
EIA	Environmental Impact Assessment	NIC	National Insurance Corporation
ERA	Electricity Regulatory Authority	NOTU	National Organisation of Trade Unions
ERM	Enterprise Risk Management	NPS	Net Promoter Score
ESG	Environmental, Social and Governance	NSE	Nairobi Stock Exchange
ExCo	Executive Committee	NSSF	National Social Security Fund
FCCA	Fellow of the Chartered Certified Accountants	NWSC	National Water and Sewerage Corporation
FiRe	Financial Reporting Awards	OECD	Organisation for Economic Co-operation and Development
FL	Financial Literacy	OSH	Occupational Safety and Health
Fx	Foreign Exchange	PAS	Pension Administration System
FY	Financial Year	PBI	Performance-Based Increment

PPDA	Public Procurement and Disposal of Public Assets Authority
PDL	Premier Developments Limited
PRAU	Public Relations Association of Uganda
PwC	PricewaterhouseCoopers International Limited
RAF	Risk Appetite Framework
RPA	Robotic Process Automation
Rwf.	Rwandese Franc
Rd.	Road
RMPP	Risk Management Policy and Procedures
RSE	Rwanda Stock Exchange
SAA	Strategic Asset Allocation
SACCOS	Savings and credit cooperative services
SACA	Staff Administration and Corporate Affairs Committee
SDG	Sustainable Development Goals
SBU	Stanbic Bank Uganda
SMME	Small, Medium and Micro Enterprise
SMS	Short Messaging Services
STP	Straight through process
TAT	Turnaround time
TBN	Transformation Business Network
TBL	Tanzania Breweries Limited
Tn.	Trillion
TWIGA	Tanzania Portland Cement Company Limited
Tz.	Tanzanian Shilling
UBTS	Uganda Blood Transfusion Services
UCL	Uganda Clays Limited
UI	User interface
UK	United Kingdom
UNICEF	United Nations International Children's Emergency Fund
UNABCEC	Uganda National Association of Building and Civil Engineering Contractors
UNRA	Ugandan National Roads Authority
UPDF	Uganda People's Defence Force
URA	Uganda Revenue Authority
USST	Unstructured Supplementary Service Data
URBRA	Uganda Retirement Benefits Regulatory Authority
URSB	Uganda Registration Services Bureau
USE	Uganda Securities Exchange
UGX	Uganda Shilling
USSD	Unstructured Supplementary Service Data
UBTS	Uganda Blood Transfusion Services
UX	User experience
VPDL	Victoria Properties Development Limited
WHT	Withholding Tax
YTD	Year to Date
Y/Y.	Year on Year

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