CORPORATE SOCIAL INVESTMENT POLICY FRAMEWORK

SALDANHA BAY MUNICIPALITY

DRAFT 01- March 15, 2013

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**EXECUTIVE SUMMARY**

Saldanha Bay Municipality (SBM) wishes to develop socio-organizational, human and skills development mechanisms to empower citizens and to uplift communities as a way to induce creativity, strengthen cohesion and to reach responsiveness to economic turbulence. The IDP is a major instrument in this regard. However, currently business CSI is not necessarily structured to directly address the challenges identified in the IDP. The primary aim of a **Saldanha Bay Corporate Social Investment programme** is to address development issues in South Africa in general and in the Municipal area in particular as identified in the IDP.

While not compelled by law, it is considered good governance of any entity to engage in CSI and this is generally covered under the Companies Act 71 of 2008, King III, BBBEE Legislation Act 53 of 2003 and the more recent draft 2012, Section 152 (1) of the Constitution of South Africa (Act 108 of 1996) obligates local government to pursue social and economic development through its core functions and the IDP, Schedule 4a & b – Childcare Facilities White Paper (1998) and the Municipal Finance Management Act 56 of 2003 Municipal Systems Act 32 of 2000 Section 16 (1)(b)(1) that state that a municipality must contribute to build the capacity of the local community to enable it to participate in the affairs of the municipality. Section 51 (a) obliges municipalities to be responsive to the needs of the local community Development Facilitation Act 67 of 1995 – Social Preparation in areas earmarked for development.

Thus Saldanha Bay Municipality has a responsibility to engage in CSI and looks to the corporate citizens of the region as partners in addressing the needs of all stakeholders and to adopt the ‘triple -bottom line’ approach, focusing on social, environmental and economic concerns which means a focus on **people, plant and profit** respectively.

Objectives of SB CSI are to empower citizens and to uplift communities as a way to induce creativity, strengthen cohesion and to reach responsiveness to economic turbulence. Saldanha Bay Municipality should be the catalyst for steering relevant corporate social investment in this region.

The SBM IDP sets out targets for a variety of actions, covering education, social welfare, housing, sanitation and other services and economic development.

SBM should enter in to a partnership with civil society, other government departments, community and non-governmental organisations as well as business – small and large. Every partner of the SB CSI should be a responsible and contributing corporate citizen is a key component of its business strategy and through its community investment strategy, committed to empowering and uplifting specific disadvantaged communities in Saldanha Bay and South Africa.

The prospects and benefit of a collective, collaboration or cooperative forum to oversee and direct more focused corporate social investment in the Saldanha Bay municipal area, preferably more in line with the IDP priorities, is welcomed and conditionally supported by organizations and business in the region.

However, all parties unanimously rejected any notion that the Municipality should be the custodian or administer the proposed collaborative effort, in any form for a host of reasons.

Business and local organizations would support a collective CSI strategy if it were an entity/trust that is apolitical, free of political influence or representation of any kind; independent, transparent, accountable and fair to all contributors and can demonstrate value for beneficiaries and contributors.

The **Saldanha Bay (SB) CSI Programme** should be a deliberate, focused, coherent and progressive programme that is aligned to the business imperatives of its constituents. It needs to be a balance in relevant social and economic development in the region to address the many social challenges it faces.
Projects and programmes that require investment include those that
- address skills development, scarce skills development and align existing skills to meet the jobs that exist and to be created in the region;
- result in sustainable job creation and local employment;
- contribute to integrated youth development that address reduction in risk behavior (substance abuse, gangs, crime) and leads to family preservation;
- address poverty eradication that leads to self-sustainability and self-sufficiency, income generation, entrepreneurship and skills development leading to self-reliance;
- support higher education
- contribute to general family preservation that include creating opportunities for the intellectual, physical disabled and entrepreneurs with disabilities;
- positively profile Saldanha Bay as a place to live, work, invest, visit and enjoy.

Saldanha Bay Corporative Social Investment Trust (SB CSI Trust) should be an independent, apolitical, transparent and non-profit structure to which every organization that contributes to the collective corporate social investment agenda of the region belongs.

Each member of the SB CSI Trust subscribes to the trust deed, code of conduct as well as the agreed term and conditions of the Trust.

A Board of Trustees of the SB CSI will be representative of the Contributors to the SB CSI Fund. A CSI Grant Committee will be established to ensure that a coordinated, coherent and focused social investment strategy is realized. A CSI Coordinator will manage the day to day affairs of the Trust and will be accountable to and report directly to the SB CSI Board and not Saldanha Bay Municipality Council or the Municipality management, on all CSI activities.

The Trust will financially support projects within agreed focus areas and should serve historically marginalized groups within greater Saldanha Bay. It will not offer financial support to political parties or groups with partisan political affiliations; labour unions; religious organizations for sectarian activities and a host of other exclusions agreed by the parties.

The available budget each year will be the collective contribution of each participating entity in the SB CSI Trust.

The SB CSI Board will report quarterly to the contributing organizations as well as produce an Annual CSI report highlighting individual contribution of each participant.

This would be the basis of forming a SB CSI Trust.
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1.0 PREAMBLE

Saldanha Bay Municipality (SBM) wishes to develop socio-organizational, human and skills development mechanisms to empower citizens and to uplift communities as a way to induce creativity, strengthen cohesion and to reach responsiveness to economic turbulence.

Currently different industries are driving various IDP priorities of council and thus are also not necessarily structured to the challenges that face our communities.

The primary aim of Corporate Social Investment programme is to address development issues in South Africa in general and in the Municipal area in particular.

The secondary role of the CSI activities is to promote the Saldanha Bay Municipality

1.1 Defining CSI

Corporate Social Investment (CSI) is the continuing commitment by the Municipality and business to behave ethically, responsibly and contribute to socio-economic development of local communities while improving the quality of life of the workforce and their families as well as of the local community and society at large.

The Saldanha Bay Municipality wishes to cultivate a corporate culture where all businesses, in partnership with the municipality, local non-government organizations and community/civic structures, voluntarily involve themselves in addressing the social welfare, community and economic development challenges facing Saldanha Bay municipal region that will contribute to a better society and a cleaner environment.

1.2 CSI Legislative Framework

Corporate Social Investment (CSI) is usually considered under Corporate Governance but is generally accepted as just good governance of any entity to engage in CSI. The municipality looks to the corporate citizens of the region to consider addressing the need of all stakeholders and to adopt the ‘triple -bottom line’ approach, focusing on social, environmental and economic concerns which means a focus on ‘people, plant and profit’ respectively. CSI is good governance of any entity.

In terms of legislation, the Companies Act 71 of 2008 does not compel companies to engage in CSI activities or projects. However, various government policies and document, and King III all address the need and relevance of acknowledging all stakeholders and to focus on social, environmental and economic concerns of the organization and the community in which it operates.

King III applies to all entities regardless of the manner and form of incorporation or establishment. King III adopts the principles of apply or explain which means that companies shall apply King III principles or motivate/ justify why they are not applying them. For listed companies, compliance with King III is a listing requirement which makes compliance regulatory or mandatory for them.

BBBEE Legislation Act 53 of 2003 and the more recent draft 2012 legally compels entities to embrace CSI and assist previously disadvantaged groups to be actively involved in the economy, thus correcting the imbalances of the past.

The Constitution obligates local government to pursue social and economic development through its core functions and the IDP.

Section 152 (1) of the Constitution of South Africa (Act 108 of 1996) states a municipality must “structure and manage its administration, budgeting and planning processes to give priority to basic needs of the community, and to promote the social and economic development of the community; and participate in national and provincial development programmes.”
Schedule 4a & b – Childcare Facilities White Paper (1998) “local government must play a central role in representing our communities, protecting our human rights and meeting our basic needs. It must focus its efforts and resources on improving the quality of life of our communities, especially those members and groups within communities that are most often marginalised or excluded, such as women, disabled people and very poor.”

Municipal Finance Management Act 56 of 2003 Municipal Systems Act 32 of 2000 Section 16 (1)(b)(1)state that a municipality must contribute to build the capacity of the local community to enable it to participate in the affairs of the municipality. Section 51 (a) obliges municipalities to be responsive to the needs of the local community Development Facilitation Act 67 of 1995 – Social Preparation in Areas earmarked for development

Thus Saldanha Bay Municipality has a responsibility to engage in CSI and looks to the corporate citizens of the region to support it in addressing the needs of all stakeholders and to adopt the ‘triple -bottom line’ approach, focusing on social, environmental and economic concerns which means a focus on people, plant and profit respectively.

1.3 Vision

“Serve, Grow and Succeed Together, for Saldanha Bay’s Future.”

The mission of SBM states that “We, the community of Saldanha Bay Municipality, want to make Saldanha Bay Municipality

• The area of choice in which to live, do business and relax. We want to:
• be a leading municipality;
• render quality service at an affordable price;
• be a place in which all have access to developmental opportunities;
• utilise the riches of land and seas in a sustainable manner; and
• Strive to achieve the three aims of sustainable development, namely human well-being, economic success and ecological responsibility.

To attain this, it needs to strive to address the social and economic development challenges the disadvantaged people in the region face daily, and in partnership with all the other stakeholders, intervene so that all people in the region can one day enjoy the fruits in the realisation of this vision.

SBM CSI has to contribute towards building social cohesion, enriching community life by encouraging, integrating and supporting social and economic development, recognise the importance to niche industries and help build the local economy to create the much needed jobs.

1.4 Strategic Intent of SBM CSI

SBM has to develop socio-organizational, human and skills development mechanisms to empower citizens and to uplift communities as a way to induce creativity, strengthen cohesion and to reach responsiveness to economic turbulence.

If the municipality’s objectives are:
1. To increase the Municipality’s involvement in the communities in the areas in which the municipality, its’ staff and partners, operate i.e. Vredenberg, Saldanha Bay, Hopefield, Langebaan, St Helena Bay and Paternoster;
2. To empower and uplift disadvantaged communities in the areas in which SBM, its staff and partners operate thus making a measurable impact on the socio-economic conditions of these communities;
3. To be seen as a caring and responsible corporate citizen by the municipality’s stakeholders;
4. To build relationships with the municipality’s stakeholders;
5. To partner with and support others in their endeavour to make a positive difference.
6. To make CSI sustainable, flexible and accommodating to local conditions and circumstances, within the law to actualise real delivery where it is needed most.
7. To be transparent and accountable to those it serves and benefits.
Then the **Strategic Intent of SBM CSI** should be:

1. To address development issues in South Africa in general and in the Municipal area in particular.
2. To promote the Saldanha Bay Municipality
3. To enhance skills development and job creation that will result in a sustainable, improved social environment for its people.

Saldanha Bay Municipality should be the catalyst for steering relevant corporate social investment in this region.
2.0  Context of CSI in Saldanha Bay Municipal Region

2.1  West Coast District Municipality's IDP (2010 – 2014)

WCDM IDP is to continue addressing key issues such as:

- skills development
- infrastructure development
- enhancing the Saldanha Industrial Corridor
- women in construction
- small-scale mining
- tourism
- early childhood development
- food security
- small-scale farming and the integration of emerging farmers into the formal economy, and
- Creating a stimulating environment for economic growth which in turn will alleviate poverty throughout the West Coast Region.

The focus is on ways to **retain existing employment** through restructuring the following key existing sectors/clusters:

- Agriculture
- Fishing and Aquaculture
- Construction and Mining
- Tourism
- Oil and gas

Most of the above is in strong alignment with the proposed Saldanha IDZ.

Saldanha Bay Municipality’s IDP is similarly aligned.

2.2  SBM IDP Strategic Objectives

1. Achieving and promoting Good Governance, Transparency and Community Participation
2. To transform and develop the systems, mechanisms and procedures of the Saldanha Bay Municipality to become a caring and developmental municipality able to deliver quality services
3. To ensure a compliant, sustainable and financial viable municipality with the ability to fulfil its statutory Responsibilities
4. To ensure the provision of an appropriate level of Basic Services and the required infrastructure to effectively manage community demands within the context of the integrated human settlements policy
5. To develop, promote and diversify the Saldanha Bay economy in cooperation with local provincial, national and international partners

Saldanha Bay Municipality’s Development Priorities, that need specific attention, were identified by the role-players in the **IDP**:

- Basic service delivery and infrastructure development
- Economic Development
- Healthy and safe environment
- Conservation and management of natural environment
- Social welfare development
- Development of institutional and operational capacity

The SBLM IDP sets out targets for a variety of actions, covering education, social welfare, housing, sanitation and other services and economic development.
2.3 SBM LED

LED goals for the Saldanha Bay Municipal area are as follows:

1. The alleviation of poverty through the broadening of the economic base in the agriculture, manufacturing, trade and tourism sectors. Implied in this goal is a lesser dependence on the local manufacturing sector as a provider of jobs and income.

2. To become a world-class economical manufacturer and exporter of steel and steel products

2.4 CSI as a Corporate Culture

A culture can be defined as a way of doing things over a period of time by a group of people that has come to be accepted as the norm or the right way of doing certain things within that group. In essence, a CSI culture means that everyone in the municipality has to buy-in; they should see it and apply the concept as a ‘group concept’. It is not what the Municipal Manager, the politicians or the mayoral Committee is forcing them to do. Everyone should be committed to making it work. In essence, every stakeholder has a sense of belonging in what is proposed. The CSI project becomes a group project.

CSI should be aligned with the municipality’s business strategy. This is how to make your CSI initiative become part of the business culture of the SBM.

2.5 CSR – Driver and Stakeholders Dynamics

The stakeholders in Saldanha Bay Municipality are diversified – Councilors, employees, suppliers, clients and customers, labour unions, special interest groups, other government departments, regulatory bodies and businesses.

CSI Policy needs to be communicated to all stakeholders from the beginning to the finalisation stage need to be, for their support and involvement. Moreover, all stakeholders must be empowered to implement the change. In all of these processes, the communication systems for internal and external communication must be excellent such that information is disseminated through the best channels as at when due, timeously and effectively, also to encourage feedback, which is crucial for monitoring progress and acceptance.

2.6 Partnerships

Every partner of the SBM CSI should believe that being a responsible and contributing corporate citizen is a key component of its business strategy. The organisation should thus be, through its community investment strategy, committed to empowering and uplifting specific disadvantaged communities in Saldanha Bay and South Africa. SBM should enter in to a partnership with civil society, other government departments, community and non-governmental organisations as well as business – small and large. Particular focus should be companies such as:

Arcillor Mittal
Durfeco SA
Transnet
Sea Harvest
PPC Cement
Anglo America PLC
Sishen
Kumba Iron
Namakwa Sands/Tronox
Lafarge
PetroSA
Weskus Mall
Club Mykonos etc.
2.7 Pretext

Business acknowledged that most of the current CSI-funded projects were not aligned to SBM IDP priorities. Few corporate were aware of the IDP priorities and while most areas business funded supported these IDP-priorities, these were as a consequence as oppose to a direct intent. Business needs a better understanding of the IDP priorities and how the Municipality delivered on these.

The prospects and benefit of some form of collective, collaboration or cooperative forum to oversee and direct more focused corporate social investment in the Saldanha Bay municipal area, preferably more in line with the IDP priorities, was welcomed and conditionally supported by organizations and business in the region. Most parties agreed that:

1. there would be benefits for both the community and the business sector to collaborate, cooperate and work together on a common-based CSI strategy and implementation;
2. small, individual contributions could be leveraged to make more meaningful impact in community development;
3. participating organizations could learn from each other;
4. overall benefit and value for all;
5. could make a meaningful impact on some of the challenges communities face in the SBM area;
6. make some CSI investments more sustainable.

However, all parties unanimously rejected any notion that the Municipality should be the custodian or administer the proposed collaborative effort, in any form. Reasons, true or untrue, offered include:

1. The Municipality, politically and administratively, lack of integrity;
2. An inherent distrust in the both administration and politicians of the Municipality;
3. Poor reputation of the Municipality to deliver effectively and historical experience of non-delivery;
4. Fear of nepotism, corruption, political interference and funds misdirected to serve political ends;
5. Most corporate exclude political involvement or support in their CSI policy;
6. Fear of dilution of value existing CSI programmes deliver to the community;
7. It was assumed that is was the municipality’s duty to fund and support its IDP priorities directly and not use corporate funds to achieve its IDP goals;
8. History of alleged wasteful expenditure;
9. Unaccountability and lack of transparency in the Municipality and its officials to the business community;
10. Municipality lacks capacity to deliver on its current mandate least an additional one as important as this;
11. Smaller beneficiary groups needed the discretionary support that business could offer and this may be lost in a Municipal-controlled CSI; amongst other considerations.

Conditions required by business and non-government organization for supporting a collective CSI strategy were:

1. The entity/trust has to be apolitical, free of political influence or representation of any kind;
2. The entity/trust has to be independent, transparent, accountable and fair to all contributors;
3. Needs to demonstrate value for beneficiaries and contributors;
4. All contributors would be represented equally on the board of trustees;
5. Each contributor’s participation/contribution to be recognized, no matter how small;
6. No one contributor would dominate because of the size of their financial contribution to the whole;
7. The Municipality could be represented on the basis of its contribution;
8. Individual’s contribution must be recorded and reported on individually for them to claim and qualify for their BBB-scoring points requirements;
9. Each individual contributor must have access to a minimum, predetermined discretionary portion of the fund to respond to small, organisationally-motivated appeals from small, worthy causes and/or staff appeals for charitable support in the region;
10. Needs guarantee that the funds will reach the intended recipients (the people);
11. Trustees should not be remunerated;
12. Protected from vested interests;
13. The brand integrity of participating companies must be protect;
14. No political or religious activities or organizations will be funded;
15. The Municipality contributes to facilitating the formation and administration of the agreed entity.
3.0 CSI POLICY

3.1 Focus of CSI

The Saldanha Bay Municipality (SBM) believes that it has a fundamental responsibility to assist in improving the lives of individuals and communities in its care and the broader society around, thus it will endeavour to engage in programmes focusing on developing the communities through investment in projects and in encouraging others to invest in projects and programmes that address the IDP priorities of the region. The alignment of this can best be achieved by considering the IDP priorities and articulated need in the Region and align the two where possible.

<table>
<thead>
<tr>
<th>The SBM IDP priorities are:</th>
<th>Projects and programmes that require investment include ones that:</th>
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<tbody>
<tr>
<td>• Basic service delivery and infrastructure development</td>
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</tr>
<tr>
<td></td>
<td>• positively profile Saldanha Bay as a place to live, work, invest, visit and enjoy.</td>
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</table>

It is evident that there needs to be a balance in relevant social and economic development in the region to address the many social challenges it faces.

The Saldanha Bay (SB) CSI Programme should be a deliberate, focused, coherent and progressive programme that is aligned to the business imperatives of its constituents and is therefore:

- Be well coordinated
- Be guided by a common policy framework
- Have clear, focus areas of social investment
- Be mutually beneficial to recipients and contributors
- Be seen as a strategic business function
- Be aligned to the core business of the contributor
- Contribute to addressing the core priorities of the SBM IDP
3.2 Process

The establishment of a collaborative entity to which the municipality and business can subscribe to, such as a Saldanha Bay Corporative Social Investment Trust, could be the forum best suited to coordinate, direct, champion, guide and manage sustainable and focused corporate social investment in the region.

The SB CSI should:

1. Investigate, set up and support projects that are within the defined focus stated above and to benefit recipients in the greater Saldanha Bay municipal area;
2. Leverage contributions by attracting other partners and contributors in order to satisfy a range of complete developmental needs of the region;
3. Clearly identify roles, rights and intended benefits that pertain to each of the parties involved;
4. Make every effort to ensure that projects are sustainable in the long-term, and achieve real and measurable developmental impact;
5. Protect the brand integrity of contributors;

Saldanha Bay Corporative Social Investment Trust (SB CSI Trust) is to be an independent, a political, transparent and non-profit structure to which every organization that contributes to the collective corporate social investment agenda of the region can belong.

Each member of the SB CSI Trust subscribes to the trust deed, code of conduct as well as the agreed term and conditions of the Trust.

3.3 Decision-Making Structure

3.3.1 Board of Trustees

1. The Board of Trustees of the SB CSI will be representative of the contributors to the SB CSI Fund.
2. The Board of Trustees ensure that the integrity of the SB CSI Policy is upheld, promoted and maintained
3. The Trust will develop the internal capacity to evaluate, implement and sustain individual CSI-orientated activities in line with the aims and objectives of the Policy. The activities of the SB CSI should support the broader IDP priorities of the SBM area and the community at large.
4. The activities of the SB CSI should contribute to positively profiling Saldanha Bay as a good place to live, work, invest, visit and enjoy.
5. The SB CSI programme activities should not, in any way compromise the brand of the SB CSI Trust, the Municipality or that of any individual contributing organization or business.
6. The Board of Trustees will set up and elect a CSI Grant Committee to evaluate and elect the CSI programmes to support.
7. Evaluate and timeously approve the CSI programmes proposed by the CSI Grant Committee

3.3.2 Grant Committee

A CSI Grant Committee will be established to ensure that a coordinated, coherent and focused social investment strategy is realized. The CSI Grant Committee shall be nominated by the Board of Trustee and comprise of at least three fellow Trustees. The Committee shall meet on a monthly basis and be responsible for the following:

1. Review and evaluate grant proposals
2. Determining the CSI budget and allocation
3. Selecting and approving projects for investment
4. Present these to the full board of Trustees for approval
5. Identifying measurable project outputs and objectives
6. Ensuring that the objectives of the CSI programme are met through a vigorous evaluation process.
7. The Committee shall be chaired by an independent chairperson and include (but not be limited to) the following **additional members** representing the interests of civil society in:

- Health
- Education
- Small business development
- Social development
- Labour
- The Municipality
- An independent member

### 3.3.3 Coordinator

The day to day affairs of the CSI Trust should be managed by a CSI Coordinator who will accountable to and report directly to the SB CSI Board and not Council or the Municipality on all CSI activities. Responsibilities will include:

- Day-to-day running of the business of the Trust;
- Controlling the CSI expenditure;
- Receiving applications, identifying and proposing projects to the SB CSI Board for consideration;
- Drawing up formal contracts with the selected projects that the SB CSI Trust supports;
- Monitoring the effectiveness of funded projects and reporting to the SB CSI Board;
- Co-coordinating the implementation of an effective CSI communication programme;
- Ensure effective communication, support and reporting to individual contributors;
- Compile and provide contributors with equal recognition for their contribution and quantify the contribution in relation to their individual BBB-scoring requirements;

### 3.4 Criteria

Criteria for selecting projects within focus areas should consider that it:

1. serve historically marginalized groups within greater Saldanha Bay;
2. where possible, focus on the communities within which Saldanha Bay Municipality and/or its partners staff operate;
3. be implemented by businesses and organisations that have a high regard for good corporate governance, with a particular reference to transparency;
4. be visited and evaluated in order to assess the need and ultimate impact of the projects;
5. ensure formal funding and operating agreements for all selected projects should be entered into;
6. ensure all projects supported support the goals, objectives and spirit of the SB CSI Trust and its members.

### 3.4.1 General Exclusions

SBM CSI will not offer financial support to:

- Travel, either by groups or individuals
- Political parties or groups with partisan political affiliations
- Labour unions
- Conferences
- Religious organizations for sectarian activities

and any others agreed by the parties.
3.5 Employee Involvement

There is tremendous value of involving employees in CSI activities. As such every effort will be made to develop and implement an employee participation programme that will address the needs of the employee of the sponsoring organization and the municipality, in a holistic manner, whilst still achieving its corporate objectives.

Employees will be encouraged to get involved in projects that the organization supports. This support can include volunteer time, assistance in identifying worthy projects, financial contributions and donations in-kind. The volunteer requirements of projects that the organisation is supporting will be identified and communicated to employees to ensure that they are aware of the opportunities available.

3.6 Measuring Performance and Impact

An effective evaluation and impact analysis programme will be established and will apply to all projects. The measurement and evaluation of the projects will be defined within the grant agreements which set the framework for periodic evaluation. Annual evaluations will be conducted in addition to end of contract evaluations where a full impact assessment will be undertaken. The extent of this evaluation will be determined according to the size of grant and will seek to determine the nature and scope of the developmental impact that can be attributed to the organisation’s contribution. The use of the internal M&E unit in SBM in the evaluation process will give them first hand auditing experience and ensure involvement in the project process and give them valuable project audit experience, both through the audit process and presentation of their findings to partners and Council.

Results of the evaluation will be considered when reviewing future grant allocations to particular projects. All projects will be subject to review on completion of the evaluation process.

Full disclosure of grantees and the amount of grants made are in terms of good Corporate Governance practices.

However, unlike large corporations where the performance of CSI initiatives are easily measured by various CSI measuring indicators such as market share, growth rate, net worth etc. the measuring indicators for the SB CSI may be slightly different. Traditionally, businesses measure their competitiveness by using financial indicators such as profitability, sales, growth rate, but non-financial indicators are also very effective measuring indicators for CSI initiative.

Certain returns on CSI are not measurable; this is because they may not be quantitative in nature, but qualitative. Therefore, do not as a rule base the success or otherwise of a direct financial return on investment. There are many ways to measure performance which include; enhanced reputation in the industry, customer loyalty, motivated employees, reduced staff turnover etc.

In the Saldanha Bay area, these may include:
- Reduction in poverty, crime and abuse;
- More stable family life;
- Reduction in school absenteeism or great participation in extra mural activities such as sport, art etc;
- Increased employment in general and in full-time jobs, in particular;
- More self-sustainability of social projects;
- Less young people emigrating from the area;
- Retention and attraction of suitably skilled persons etc.

Individual’s contribution will be recorded and reported on individually in order for companies to claim and qualify for their BBB-scoring points requirements;
4. BUDGET

The available budget each year will be the collective contribution of each participating entity in the SB CSI Trust. The Municipality can contribute directly and indirectly by way of personnel and services.

A portion of a Discretionary Fund will be made available to contributors for the use of the contributor, for the support of ad hoc worthy projects that may fall outside of the traditional funding focus areas being funded. Criteria for funding will be at the total discretion of the contributors who will motivate its consideration to the CSI Grant Committee and will not be restricted to the focus areas and funding criteria as set out in this CSI Policy.

5. REPORTING STRUCTURE

1. The reporting format and dates for submission shall be set out in the grant agreements to be signed by each of the projects funded.
2. Quarterly reports shall be prepared by the CSI Coordinator for presentation to the SB CSI Board.
3. The SB CSI Board will report quarterly to the Contributing Companies.
4. Annual CSI report will be prepared by the CSI Coordinator.

6. COMMUNICATION

Effective communication of any company’s socio-economic development activities plays an important role in portraying the company as a caring citizen to the outside world, its employees, customers and towards harnessing internal support for the programme. Contributors need effective communication feedback.

The SB CSI Trust should have an effective communication plan is to communicate SB CSI activities and successes both internally and externally thus enhancing the reputation of contributing companies, the Municipality and the region as well as keeping potential partners and all relevant stakeholders informed.

6.1 Objectives:
1. To disclose and promote contributions to community development and by communities;
2. Appropriate information about the corporate socio-economic development programme/s should be communicated to all relevant stakeholders and would vary according to the nature of interaction with the specific stakeholder concerned;
3. To build the corporate socio-economic development profile, a limited amount of funds should be allocated to marketing expenditure on programmes or for featuring in surveys or applicable publications.
4. Appropriate links between the corporate socio-economic development programme/s and the communications’ department of companies and the Municipality should be maintained or put in place.

6.2 Internal Communication
The internal communication plan will provide feedback to Trustees and contributors’ nominees on the CSI strategy implementation, project achievements and project volunteer opportunities through emails and meetings.

6.3 External Communication
The external communication plan will create public awareness for the SB CSI programme and its role in community development and upliftment through:
1. Presentations at meetings with partners and new investors;
2. The CSI Trust programme, SB Municipal and business contributors’ websites;
3. Investor relations publications;
4. PR programme including press releases and media liaison that attribute contribution by participants;
5. Annual CSI report;

The development and management of both the internal and external communication plan will be the responsibility of the CSI Coordinator.
COMMENTS:

On reviewing this draft policy we welcome any and every additional comment and contribution that will enhance this initiative.

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