



Corporate Social Investment (CSI) and  
Socio-Economic Development (SED) Policy

<b>Policy Title</b>	Super Group CSI and SED Policy	<b>Version</b>	2020/01
<b>Author</b>	Graeme Barnard	<b>Date issued</b>	20 November 2020
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<b>Disclosure</b>	Internal Use Only		

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# Corporate Social Investment (CSI) and Socio-Economic Development (SED) Policy

## Introduction

1. Super Group associates itself with the escalating corporate awareness of the need to invest in sustainable social development. The Group's annual budget makes provision for both CSI and SED initiatives in line with the Group's CSI strategy. CSI is therefore an integral part of Super Group's commitment to sustainable development and for branding and enhancing the Company's reputation as a responsible corporate citizen and valued partner amongst communities where it operates. To give effect to this, Super Group commits itself to invest in development and empowerment projects that embrace the diversity of South Africa, with the aim to becoming a significant contributor in the field of community upliftment.

## Aim

2. The aim of this Policy is to provide strategic direction to the Group in terms of the Group's CSI and SED Policy and initiatives.

## Definitions

3. The following definitions apply in terms of this policy:
- a. **Corporate Social Responsibility.** CSI is typically summarised as the "triple bottom line," which is a model that evaluates the impact of a firm's policies on people and the environment as well as profit maximisation. CSI is a strategy for implementing social commitment in a concrete way by using company funds and resources to improve the quality of life in developing or disadvantaged communities. CSI beneficiaries may include benefits for

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communities, natural persons or groups of natural persons regardless of their race, gender or disability status.

- b. **Socio-Economic Development.** Means monetary or non-monetary contribution for communities, natural persons or groups of natural persons where at least 75% of the beneficiaries are Black people. The objective of SED contributions is the promotion of sustainable access for the beneficiaries to the economy. SED beneficiaries may include development programmes for women, youth, people with disabilities, people living in rural areas, support of healthcare and HIV/AIDS programmes, support for education programmes, resources and materials at primary, secondary and tertiary education level, as well as bursaries and scholarships, community training, skills development for unemployed people and adult basic education and training, etc.

## Strategic CSI and SED Objectives

4. Super Group strives to be a leading socially responsible organisation involved in the reduction of poverty and social problems through the development and upliftment of communities surrounding Group operations, and also those communities from which we source our workforce. This is achieved by:
  - a. focusing on initiatives which enjoy broad-based stakeholder support while avoiding handout tendencies which prove unsustainable;
  - b. ensuring that communities and beneficiaries of the programmes are actively consulted in the process of project selection, implementation and evaluation;
  - c. quantifying the costs and benefits of the programmes selected and evaluating them in terms of their ability to contribute to capacity building, improving the quality of life and ensuring sustainable development;

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- d. defining the roles and responsibilities of stakeholders and projects/programme beneficiaries, with specific emphasis on financial controls and corporate governance compliance;
- e. integrating and coordinating divisions and business units and the Tsogo Empowerment Trust initiatives in a cost-effective and efficient manner;
- f. building community awareness and recognition of the role played by Super Group in developing its communities through appropriate and transparent outreach initiatives;
- g. contributing to the socio-economic upliftment of primarily historically disadvantaged communities; and
- h. building open, honest and constructive relationships between the Group and its host communities.

## CSI and SED Policy Statement

5. Super Group believes that being a responsible and contributing corporate citizen is necessary for the equitable development of South African people and is therefore a key component of the company's business strategy. Through its community investment strategy, the company is committed to the empowerment, development and growth of disadvantaged communities.

## Purpose of the CSI and SED Policy

- 6. The purpose of this CSI and SED Policy is to:
  - a. outline the Group's CSI and SED strategy and therefore it's involvement in community development and upliftment; and
  - b. set out the processes and procedures by which the Group will identify, manage, and support its CSI activities.

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## CSI and SED Committee

7. The CSI and SED Committee is a sub-committee of the Social and Ethics Committee. The CSI and SED Committee will consist of the following members:

- a. Group Human Resources Executive
- b. Chief Information Officer
- c. Transformation Director
- d. Representative of Supply Chain Division
- e. Representative of Dealerships Division
- f. Representative of FleetAfrica
- g. Appointed Financial Representative

8. The CSI and SED Committee will have the following roles and functions:

- a. Identify and approve and co-ordinate Group CSI & SED initiatives.
- b. Monitor CSI and SED expenditure of all subsidiaries/entities against budget.

## CSI and SED Budget

9. The following budgetary guidelines apply to both CSI and SED spend.

Subsidiary/Entity	SED and CSI Budget
Super Group Holdings (Pty) Ltd.	1% of Participating Entities'* Net Profit After Tax (NPAT)
All other subsidiaries/ entities	Maximum of 0.25% of NPAT unless a commercial client contract dictates otherwise

\*Please refer to Appendix A for a list of Super Group Holdings (Pty) Ltd.'s Broad-Based Black Economic Empowerment (B-BBEE) Scorecard Participating Entities and Non-Participating Entities.

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The below subsidiaries/entities' B-BBEEE verification is done at subsidiary/entity level and independently from Super Group Holdings (Pty) Ltd.'s B-BBEE verification for both strategic and commercial reasons/requirements:

Subsidiary/ Entity	SED and CSI Budget**
Baleka (Pty) Ltd.	1% of NPAT
Digistics (Pty) Ltd.	1% of NPAT
Fleet Africa (Pty) Ltd.	1% of NPAT
GLS Equipment (Pty) Ltd.	1% of NPAT
Legend Logistics (Pty) Ltd.	1% of NPAT
Lieben Logistics (Pty) Ltd.	1% of NPAT
Phola Coaches (Pty) Ltd.	1% of NPAT
SG Africa (Pty) Ltd.	1% of NPAT
SG Coal (Pty) Ltd.	1% of NPAT
SG Dealerships	1% of NPAT

\*\*It is recommended that CSI spend for these subsidiaries/entities is incorporated into SED spend. In instances where the planned CSI spend does not form part of planned SED spend (i.e. beneficiaries of CSI spend is not at least 75% Black) such planned CSI spend should not exceed 0.25% of NPAT.

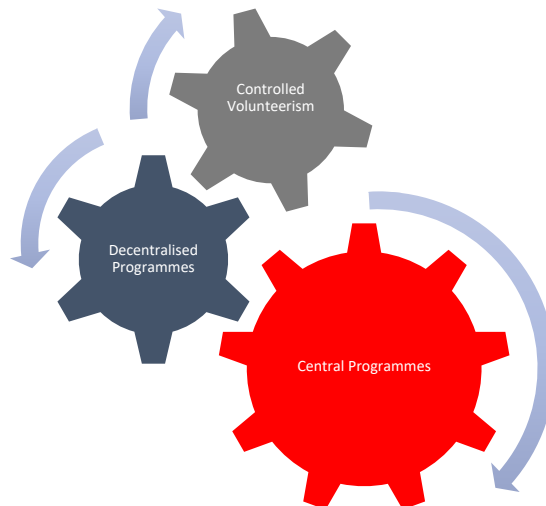
10. Divisions and business units must make adequate provision in their annual budgets for CSI and SED programmes and initiatives.

11. All CSI and SED programmes and initiatives must be approved by the CSI and SED Committee, which is a sub-committee of the Group's Social and Ethics Committee.

### Three-Pronged Approach

12. The Group will follow a three-pronged approach in order to achieve the Group's strategic CSI and SED objectives:

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- a. **Central Programmes:** These include programmes and initiatives identified and funded by the Group aimed at adding CSI and SED value and contributing towards SED points on the Group's B-BBEE scorecard. The main three (3) approved central programmes are:
  - i. Stop Hunger Now
  - ii. Tour de Tuli
  - iii. Sani2C
  
- b. **Decentralised Programmes:** These include Group approved programmes and initiatives identified and funded by a division and/or business unit aimed at adding CSI and SED value and contributing towards SED points on the Group's B-BBEE scorecard.
  
- c. **Controlled Volunteerism:** Our employees are encouraged to become involved in Group approved CSI and SED projects aimed at adding CSI and SED value and contributing time towards SED points on the Group's B-BBEE scorecard. Naturally time allocated toward volunteerism will be at management's discretion and in line with operational requirements.

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## Key Priority CSI and SED Areas

13. The Group identified the following key priority CSI and SED areas:
- a. Healthcare promotion, particularly HIV&AIDS Education programmes, capacity building and skills development for targeted beneficiaries.
  - b. Income generation and job-creation programmes/projects, with the primary focus on Black youth, Black women and Black people with disabilities.
  - c. Infrastructure development including - but not limited to schools, clinics, orphanages, etc. where the beneficiaries are at least 75% Black people.
  - d. Provision of training or mentoring to beneficiary communities which will assist such communities to increase their financial capacity.
  - e. Supplier development initiatives.
  - f. Enterprise development initiatives.
14. These priority areas will be reviewed periodically to ensure that they are relevant to community needs.

## Communication

15. The CSI and SED communication plan will communicate information on the Group's CSI and SED activities and successes both internally and externally. The aim of the communication plan is to enhance the company's reputation for good corporate citizenship and ensure that staff, the Executive Committee, customers, investors, potential partners and all relevant stakeholders are kept informed.

16. The development and implementation of the external and internal communication plan will be the responsibility of the Group Human Resources Executive.

- a. Internal Communication

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The internal communication plan will provide feedback to staff and management on the CSI and SED policy and strategy, projects selected, project achievements, and project volunteer opportunities. This will be communicated through the following media:

- i. Intranet
- ii. Exco meetings
- iii. Management Communication Forums
- iv. Employee newsletter
- v. Electronic desk drops
- vi. Employee starter packs

b. External Communication

The external communication plan will create public awareness for the Group's CSI and SED programme and their role in community upliftment through:

- i. Company website
- ii. Company brochure and other marketing material
- iii. Tender documents
- iv. Public Relations programme including press releases and publicity
- v. The Integrated Report, including the Economic, Social and Governance (ESG) Report

## Evaluation and Feedback

17. An effective evaluation and impact analysis process will be developed and implemented and will apply to all selected projects. The measurement and evaluation of the projects will be defined within the grant agreements, which set the framework for periodic evaluation.

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18. All programmes and initiatives will undergo a pre-funding evaluation, site visits and end of contract evaluation will be conducted where a full impact analysis will be undertaken. Furthermore they will be required to have an in-built monitoring element for the programme being funded.

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## SUPER GROUP HOLDINGS (PTY) LTD. B-BBEE SCORECARD

### PARTICIPATING AND NON-PARTICIPATING ENTITIES

#### PARTICIPATING ENTITIES

##### **Super Group Trading (Pty) Ltd.**

- Operations Company
- Cargo Works (Pty) Ltd.
- MDS Collivery (Pty) Ltd.
- MDS Outsourcing (Pty) Ltd.
- MDS Visapak (Pty) Ltd.
- Micor
- Rentrak (Pty) Ltd.
- SG Agility (Pty) Ltd.
- SG Consumer Goods
- SG Convenience
- SG Freight
- SG Mobility
- Sizeka Business Solutions
- Super Rent
- Supply Chain Head Office
- Virtual Supply Chain Solutions
- Zultrans (Pty) Ltd.

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## NON-PARTICIPATING (EXCLUDED) ENTITIES:

The following entities are NOT covered in the Super Group Holdings' Black Economic Empowerment (BEE) certificate:

- SG African Transport
- SG Gateway Services
- Super Finance
- Super Group Executive Payroll
- Super Group Corporate Services
- Super Group IT
- Super Group Marketing
- Super Group Procurement
- Super Group Treasury
- Supply Chain Partners
- Supply Chain South Africa
- Super Properties

## INDEPENDENT (SEPARATE) SCORECARDS:

- Baleka (Pty) Ltd.
- Digistics (Pty) Ltd.
- Fleet Africa (Pty) Ltd.
- GLS Equipment (Pty) Ltd.
- Legend Logistics (Pty) Ltd.
- Lieben Logistics (Pty) Ltd.
- Phola Coaches (Pty) Ltd.
- SG Africa (Pty) Ltd.
- SG Coal (Pty) Ltd.
- Super Group Dealerships

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