



**UCL COMPANY (PTY) LTD**

**CORPORATE SOCIAL INVESTMENT  
POLICY**

**GROUP GUIDELINES**  
—  
**ALL OPERATING DIVISIONS AND SUBSIDIARIES**

**DATE OF IMPLEMENTATION: DATE SIGNED BY GENERAL MANAGER**

\_\_\_\_\_  
**CHIEF EXECUTIVE OFFICER**

\_\_\_\_\_  
**DATE**

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## **1. INTRODUCTION**

As a corporate citizen, UCL Company Limited recognises its responsibility towards stakeholders in the communities within which it operates as well as towards those who fall under its sphere of influence. Accordingly, the Company is committed to promoting its corporate responsibilities in harmony with its broader vision and mission.

In addition, UCL's Corporate Social Investment policy serves to endorse the company's BEE transformation -, corporate accountability - and corporate governance programmes.

The UCL Corporate Social Investment programme considers the following:

- Funding projects that have a logical fit with the company's interests;
- Engaging the full array of organisational resources, in an appropriate manner;
- Alignment with the company's corporate mission;
- Regular evaluation and review where required; and
- A dedicated Corporate Social Investment committee.

A clear definition of CSI is included and expenses that fall outside of this definition i.e. sport sponsorships will fall under the company's sponsorship programme. A sponsorship-based CSI initiative is one where the sponsor agrees to promote or support something, but expects to get some form of public recognition for the investment.

## **2. OVERVIEW**

### **2.1 Definition of CSI**

In order to ensure consistent focus and approach towards CSI, the company endorses the following definition of CSI”

“CSI encompasses contributions that are external to the normal business operations of UCL. Such contributions include projects undertaken for the purpose of upliftment, development, sustainability and general support of

local communities, schools, non-profit organisations, developing suppliers and stakeholders in general.”

## **2.2 The purpose of CSI**

UCL’s participation in social investment projects must have a positive effect on the image of the company as well as providing for the following:

- A means to give something back to the community and enhance the caring image of the company;
- Improve relationships with the community;
- Improve employee morale;
- Help stabilise the local economic and social environment for the company’s long-term survival;
- Enhance business performance and the reaching of strategic goals;
- Contribute to our corporate brand identity;
- Increase customer goodwill and loyalty; and
- Provide opportunities to build relationships with business partners.

## **2.3 Areas of focus**

2.3.1 UCL Company Limited will render support in the following key areas:

- *Education and training* – specifically the support of local schools and in the fields of engineering, electronics, maths, science and technology;
- *Business development* – specifically the support of developing raw material suppliers;
- *Social welfare promotion* – specifically the support of local charities and non-profit organisations;
- *Community welfare promotion* - specifically the support of local congregations and community upliftment programs;

- Conservation and environment – specifically promoting awareness and supporting local projects and initiatives.

2.3.2 In accordance with the corporate vision and company values the following guidelines will dictate the nature of UCL's involvement in community CSI projects:

- To focus funding in those communities that are directly involved with the Company's operations;
- To manage the impact of the Company's relations with the community and environment according to the ethical principles outlined in the UCL Company Limited Code of Conduct;
- To become involved in CSI in a responsible and innovative way based on principles that promote both beneficiary and donor interests;
- CSI must be aligned with the company's mission; and
- All funded projects must have a logical fit with the company's sustainability objectives.

2.3.3 The company can, at its discretion, become involved in CSI work that falls outside of the set guidelines.

### **3 CSI PROCEDURES**

#### **3.1 Budget approval**

An annual budget will be drawn up by the Chief Executive Officer. Actual spend vs. budget to be determined by the company together with a review of current performance.

The intention is that company spend on CSI will amount to a percentage of profit before tax, to be determined annually, subject to affordability considerations.

This benchmark figure should include financial as well as non-financial contributions to projects.

### **3.2 The number and size of grants**

The CSI programme may distribute funds to many small projects, support a few larger projects, or a combination of the two.

Certain distributions will be considered as permanent annual investments. The balance of the budget will be available to *ad hoc* requests and/or targeted initiatives.

The following criteria will also form part of the distribution considerations:

- Partnerships with community and/or other grant givers, i.e. customers and suppliers, to enhance effectiveness;
- Non-financial contributions such as material or equipment supplied, man hours spent managing or co-ordinating a project as well as skills transfer such as assisting a school with its administrative procedures; and

### **3.3 Project adjudication and approval**

Projects must fall within the Company's focal areas as described in 2.3.1.

All ad hoc requests must include the following information:

- 3.3.1 A description of the project;
- 3.3.2 Project location and accessibility;
- 3.3.3 Regular feedback where applicable;
- 3.3.4 Sustainability potential where applicable;
- 3.3.5 Budget and project organisational structure;
- 3.3.6 Ongoing maintenance plans if applicable;
- 3.3.7 In the case of donations, proof that the applicant is a registered trust; a non-profit making organisation or a section 21 company.
- 3.3.8 Opportunities for branding/naming rights/ publicity, etc.
- 3.3.9 Contact details;

### **3.4 Management and administration**

Ownership and responsibility for CSI lies with the executive management.

Quarterly CSI reports will be compiled for submission to the board of directors who will be responsible for monitoring progress.

### **3.5 Measuring and reporting**

3.5.1 The following monitoring activities are to be carried out annually:

- *Project evaluation*: Including project beneficiary reporting, on-site visits, collection of relevant statistics and formal research;
- *Post-mortem analysis*: Evaluating and auditing the completed project in order to gauge the impact of the project and its long-term sustainability;
- *Benchmarking*: Comparisons against companies in a similar industry sector or with similar sized budgets (information may be obtained from CSI or company annual reports or public websites); and
- *Stakeholder reviews*: Auditing the perceptions of various groups, both within the company and externally, about the community development activities of the company.

3.5.2 A CSI expenditure spreadsheet is to be updated annually.

### **3.6 Communication**

Effective communication of the company's CSI activities is to take place via the various company newsletters, the Annual Report as well as any publications that may exist within recipient entities. The purpose of such communications is to disclose and promote community contributions amongst all relevant stakeholders. Such communication would vary according to the nature of the interaction with the respective stakeholders.