

SUBJECT: CORPORATE SOCIAL INVESTMENT POLICY

OBJECTIVE: To facilitate CSI initiatives and interventions

SCOPE: Applicable to MBDA Tramways and NMB Science Centre offices

POLICY NO: MBDA-CSIP-07/02/2020

1. Background

- 1.1 Corporate Social Investment (CSI) forms an integral part of the MBDA's commitment to the development of communities and to enhance the company's reputation of being a responsible, engaged and valued partner amongst the communities it serves.
- 1.2 The CSI policy will give effect to this intent, engaging on and supporting initiatives that empower and assist communities within the broader Nelson Mandela Bay.

2. Acronyms

- 2.1 NGO - Non-Governmental Organisations
- 2.2 NPO - Non-Profit Organisations
- 2.3 NPC - Non-Profit Companies
- 2.4 CBO - Community Based Organisations
- 2.5 Coop - Co-operatives
- 2.6 MBDA EXCO – MBDA Executive Management Committee

2.7 *Recognised registration*

- 2.7.1 South African Social Services Agency (SASSA)
- 2.7.2 Department of Social Development (DSD)
- 2.7.3 Companies and Intellectual Property Commission of South Africa (CIPC)

Mandela Bay Development Agency

Directors: R Dana, V Dyantyi, MW Goduka (Chairperson), K Govender, B Gxilishe, P Kondlo, M Kwenaite, SM Mbanga, M Moolman,

KG Ntshanyana M Odayar, G Perumal, MR Skefile. **Company Secretary:** M Matiwane

3. MBDA CSI Focus Areas

3.1 Various approaches exist in responding to CSI and these approaches are typically dictated by the nature of the organization, its strategic objectives, and the stakeholders it interacts with.

3.2 The MBDA will consciously initiate or respond to initiatives that address the needs of targeted community groups including children, youth, and women.

3.3 *These targeted focus areas broadly include:*

- Social Entrepreneurship and innovation initiatives
- Arts, culture, and heritage promoting initiatives
- Early Childhood Development (ECD) centres and programs
- Education, capacity building and skills development
- Promoting environmental awareness and recycling initiatives
- Sport, healthcare, and wellness initiatives
- Communities affected by natural disasters
- Community initiatives aimed at reducing violence, drugs, women, and child abuses
- Bursary schemes aimed at greater inclusion in built, science and psychosocial sectors

4. CSI structures and approvals

4.1 The initiation or approval of CSI initiatives must be conducted through a fair, open and transparent process.

4.2 The function of assessing initiatives and CSI proposals will be assigned to a CSI committee coordinated and chaired by the Project Manager, Socio Economic and Psychosocial Programmes.

4.3 Constituting the CSI committee

4.3.1 An open nominations process to all MBDA employees and management will be initiated to nominate four (4) members to serve on the CSI committee

4.3.2 The fifth (5th) member will be the Project Manager, who will play the role of coordinator and Chairperson.

4.3.3 It is desirable that the CSI committee possess one of the following skills and expertise:

4.3.3.1 Technical or Project Management related skills

4.3.3.2 Finance or Audit environment related skills

4.3.3.3 Compliance or Legal environment related skills

4.3.3.4 Marketing & Communications environment related skills

4.3.4 A secret ballot voting process will be engaged to determine the successful candidates to serve on the CSI committee.

4.3.5 The election process is to be presided over by an independent legal practitioner selected from the MBDA's panel of attorneys.

4.3.6 The presiding officer must be in possession of a commissioner of oaths certificate.

4.4 Composition of the CSI committee

- 4.4.1 The CSI committee will have a maximum of five (5) members who have will have received nominations and majority votes from MBDA employees to serve for a maximum term of two years.
- 4.4.2 The role of Coordinator and Chairperson will be the Project Manager.
- 4.4.3 Where members have either left the employ of the MBDA or cannot fulfil this role for any reason, then the next person in terms of votes received maybe co-opted to replace the member.

4.5 Functions of the CSI committee

The CSI committee is to:

- 4.5.1 Develop terms of reference and guidelines to be approved by MBDA EXCO;
- 4.5.2 Facilitate the issuing out of a call for proposals in July and February of each year;
- 4.5.3 Organisations wishing to access MBDA CSI support must respond to these calls;
- 4.5.4 Develop a standard template for applications;
- 4.5.5 Develop a standard template for assessments;
- 4.5.6 Develop a standard template for reporting;
- 4.5.7 Facilitate the assessment of submissions guided by the terms of reference;
- 4.5.8 Make recommendations to the MBDA EXCO for approval;
- 4.5.9 Facilitated the drawing up of of contractual agreements with the approved beneficiaries;
- 4.5.10 Monitoring the impact of funded initiatives and reporting to EXCO on a quarterly basis;

4.6 Approval of CSI initiatives

- 4.6.1 Only CSI committee recommended initiatives will be considered by MBDA EXCO.
- 4.6.2 Only MBDA EXCO has the responsibility to approve or decline recommendations for financial and non-financial interventions.

5. Compulsory requirements for assessment

- 5.1 Prior to being assessed, entities must comply with all the following requirements:
 - 5.1.1 Must have valid registration with CIPCSA highlighting all active members or directors;
 - 5.1.2 Must have valid registration with SASSA/DSD;
 - 5.1.3 Must provide a minimum of two recommendation or reference letters;
 - 5.1.4 Applicants must submit their proposal on the applicable MBDA CSI application template.

6. Six - point criteria

The CSI committee will draw up a scoring sheet that considers the criteria below:

- Initiative must have a proven developmental approach ;
- Initiative must benefit a wider defined community;
- Initiative must have the capacity to profile the MBDA as a caring corporate citizen;
- Initiative should demonstrate potential to foster collaborative partnerships with other entities;
- Initiative must be located within Nelson Mandela Bay;
- Initiative must be a fit with at least one of the MBDA focus areas.

7. CSI Budget

- 7.1 Whenever possible the MBDA will determine an annual budgetary provision for CSI.
- 7.2 It is also conceivable that various Operational, Capital or Psychosocial programmes budgets may inherently be positioned to cater for CSI initiatives as part and parcel of furthering project objectives.
- 7.3 In such cases where funds are available from other departments, the CSI policy will be the instrument to activate such initiatives.

8. Non-Financial support

- 8.1 The Agency may consider other forms of supports such as: provision of specialized skills, capacity building, letters of recommendation, provision of services and any support within the mandate and scope of the Agency.

9. Funding allocations

The MBDA is to advertise a call for proposals bi-annually with the objective of distributing support.

- 9.1 50% of the approved and available CSI budget will be allocated to the call for proposals;
- 9.2 50% will be allocated to Agency initiatives and emergencies.

10. Approval and Reporting

- 10.1 The CSI committee chairperson will prepare a recommendation for consideration by MBDA EXCO.
- 10.2 Recommendations that require urgent attention may be dealt with through a round-robin resolution, the outcome of that round robin resolution to be tabled at the next sitting of the MBDA MBDA EXCO for noting.
- 10.3 A quarterly report of engaged CSI initiatives will be submitted to the Board by the CEO's Office through CSC.

11. Effective Date

This policy is effective from 01 March 2020 as approval by the MBDA Board of Directors.