

Corporate social investment



As a good corporate citizen with the best interest of our country and its people at heart, PSG Group contributes significantly to society. Enclosed is some of the corporate social investment (“CSI”) initiatives undertaken by PSG Group and its underlying investments. Although this is not a comprehensive list, it illustrates our dedication to making South Africa a better place.

PSG GROUP

“Education is the most powerful weapon which you can use to change the world.” – Nelson Mandela

A significant theme throughout the group is our contribution to all levels of education – from early childhood development all the way through to higher and adult education. We firmly believe in the multiplier effect that education brings, not only to the individual, but to society as a whole.

- *The PSG Group Bursary Loan Scheme at the University of Stellenbosch*
 - We started this initiative in 2007 when PSG Group and Jannie Mouton each donated 100 000 PSG Group shares, currently worth approximately R45m, to provide financial support to gifted, but needy students. To date, 110 students have received financial support through this scheme with over R5m granted in bursaries and loans. Their fields of study include medicine, law, actuarial science, accounting and investment management.
- *Akkerdoppies*
 - PSG Group has supported this pre-primary school financially since its establishment in 2008. Akkerdoppies is part of the Sibusisiwe charity and is committed to early childhood development by providing essential education and skills to children from the disadvantaged communities of Stellenbosch. The school has 160 children and employs 26 people. We are committed to a long-term relationship with this initiative and anticipate a significant positive contribution to the community.
- *Dipeo BEE Education Trust*
 - We established and initially funded the Dipeo BEE Education Trust with R102m, which was subsequently repaid in full. The trust owns 51% in Dipeo, which in turn owns interests in various investments associated with PSG Group. The net worth of the Dipeo BEE Education Trust is approximately R646m. We look forward to seeing this trust support historically disadvantaged learners in obtaining a quality education. The trust has identified the Ruta Sechaba Foundation as its key partner in education to assist in achieving this objective.
- *PSG Group BEE Education Trust*
 - This trust owns 2,5m PSG Group shares valued at over R540m. Future PSG Group dividends from these shares will be used to grant bursaries to historically disadvantaged learners. As with the Dipeo BEE Education Trust, the Ruta Sechaba Foundation is its key partner in education.
- *Ruta Sechaba Foundation*
 - Established in 2016, this foundation provides academic and sport-related scholarships, bursaries and awards to qualifying learners at Curro and Curro-managed schools. The Dipeo BEE Education Trust and PSG Group BEE Education Trust were the initial donors to the foundation. They collectively committed R6,6m to the foundation for the 2018 academic year, which has been used to award approximately 210 bursaries. The foundation hopes to reach over 500 bursaries per annum in three to four years’ time.
 - The group is proud of the academic achievements of the 2017 beneficiaries who achieved 24 subject distinctions and a 100% pass rate.
 - Curro carries all the costs and administration burden associated with managing the foundation, thereby ensuring that all donations are entirely used for education purposes.



- PSG Group, together with Curro and the Multiply Titans cricket team, also established a bursary scheme for talented historically disadvantaged cricketers in South Africa through the foundation. Our objective is to improve transformation and representation within South African cricket. Three bursaries were awarded in 2017, with another 15 awarded in 2018.
- The foundation is open to all corporates/individuals wishing to contribute to education in South Africa on a structured basis.

GROUP COMPANIES

It is evident from the aforementioned that PSG Group makes a significant direct contribution to society. However, as an investment holding company, with our underlying investments also having various CSI initiatives, we also make a substantial indirect contribution to society. Below, in no particular order and by no means exhaustive, are some of the CSI projects undertaken by investee companies:

- *Curro*
 - PSG Group has invested R2,4bn cash in Curro, which plays an important part in educating the South African youth. Its business model is centred on assisting government by carrying part of the significant capital burden of building new schools. To date, Curro has saved government more than R14bn in capital investment and plans to invest a further R2,3bn in 2018. Its running costs to educate approximately 52 000 learners save the country over R1bn annually. Given government's current budget constraints, we believe this is a major benefit for them.
 - Curro has also spent R51m on CSI, including bursaries, during the past financial year.
- *FutureLearn*
 - The FutureLearn group is the largest provider of distance education solutions at school level in South Africa. The group provides a unique "Guided Learning Ecosystem" that, through education, empowers learners to realise their full potential. It focuses on education innovation that ultimately ensures quality and affordable learning. FutureLearn currently serves approximately 15 000 home learners, more than 1 500 schools, and a further 1 500 tutors. The group owns the brands Impaq (home education curriculum and service provider), Teach360 (school and teacher materials and support), CAMI (practice software for mathematics, reading, literacy, science, and perceptual skills), and Arrow Academy (innovative independent school in Centurion), as well as an investment in Tuta-me (platform that links learners to qualified tutors on demand). With this investment, we look to further contribute to education in South Africa, while also creating business opportunities for entrepreneurs and educators who can embrace their passion for education while building a profitable business.
- *Capitec*
 - Capitec's primary CSI focus is on improving financial literacy and education through the Capitec Foundation, an independent non-profit organisation.
 - The foundation operates a bursary fund that targets public school learners in grades 10 to 12, with mathematics as a subject. The bursaries cover tuition fees for one year. 298 learners from 54 schools in the Western Cape were recipients during the past year.
 - The foundation also granted 27 bursaries to school principals, studying for a Management Development Programme certificate through the UCT Graduate School of Business this past year.



- A major project sponsored by the foundation is the IkamvaYouth initiative. IkamvaYouth provides after-school support for learners in grade 8 to 12. Its model uses peer-based support, group tuition, grade 12 mentoring and facilitated access to computers and edtech products. Capitec's sponsorship entails funding, capacity-building, and improving mathematics and science performance of learners in the programme. During 2018, it will be supporting 2 400 learners across 16 branches.
- The eduCate Revision Programme for grade 12 learners provides learners from historically disadvantaged backgrounds revision tutoring in mathematics and science in the run-up to exams. During 2017, 6 022 learners participated in the programme.
- The foundation held financial life skills workshops and presentations as part of its educational programmes in the past year. A total of 1 083 participants were reached through face-to-face workshops and presentations were conducted to 2 303 people on various topics.
- Through Capitec's extensive training programmes, 3 766 employees attended various courses and 41 780 distance learning initiatives were completed in the past year.
- *PSG Konsult*
 - PSG Konsult invests in educational and social programmes that create future employment and economic empowerment prospects. Below are a few of their CSI projects:
 - Adopt-a-School Project – a programme that supports and enhances the learning and teaching environment in disadvantaged schools, with the aim of addressing inequalities and inadequacies in rural areas. To date, PSG Konsult has adopted four such schools that have, in total, more than 2 400 learners. These schools are in close proximity to the hubs, ensuring employees can provide hands-on support.
 - Childcare and children's homes are provided with monthly food parcels and funding.
 - PSG Konsult has invested R22m in the ASISA Enterprise Development Fund since February 2015. This initiative invests in the sustainability of small and medium-sized enterprises ("SMEs") in South Africa. It also supports government's drive for job creation and economic growth.
 - Graduate and bursary programme that has 37 graduates enrolled in the programme and 13 students supported through bursaries.
 - PSG Konsult funds 100 students for iCollege programmes, which provide them with career guidance and skills-based affordable training in national Skills Education Training Authority ("SETA") and internationally accredited courses.
- *Kaap Agri*
 - Kaap Agri's CSI projects focus on training and skills development in the agriculture sector. Through the Kaap Agri Academy, the company runs a farmer development programme that trains approximately 25 students per year who are emerging farmers in the Western and Northern Cape. Since its establishment, the academy has already catered for more than 235 students and produced three AgriSETA award winners for Best Performing Learner of a Skills Programme. The merit award winner in 2016 is now a partner at a table grape farm co-op, where she manages three production units with a workforce of 170 permanent and 300 seasonal workers. The academy also trains farmworkers in various practical skills including welding, chemical handling, equipment maintenance and productivity management. To date, over 4 700 farmworkers have received training at the academy.
 - Kaap Agri's Care & Grow initiative is aimed at making a difference in the communities within which it conducts its business. This outreach by its various business outlets and employees is shared with stakeholders in a company newsletter called "Care & Grow".



- The Kaap Agri Employee and Farmworker Trust makes funds available to qualifying employees of the designated group through a revolving housing loan fund. Since 2016, there have been 96 employees who have qualified for interest-free housing loans. The trust also supported another eight projects in rural areas catering mainly for women and children of farmworkers. To date, the trust has benefited 3 839 external beneficiaries.
- *Capespan*
 - Capespan follows an integrated approach in developing its CSI initiatives, aimed at improving the quality of life of farmworkers in the fruit production industry as well as those communities that the company operates in. CSI initiatives are developed in partnership with local communities, local government and industry stakeholders. Furthermore, initiatives are based on the socio-economic, health and educational requirements of communities in need. CSI projects include support to:
 - Place of Mercy Pre-school Centre, Eastern Cape Province;
 - Themba lethu HIV/Aids Trust, Eastern Cape Province (providing community preventative health and educational programmes to high school learners);
 - Capespan Blue Hand Health Programme in partnership with local export fruit producers and local government (occupational and community primary health care services delivered at clinics on eight farms);
 - Partners for Possibility (an education leadership development programme in partnership with Symphonia for South Africa);
 - Early language and literacy development of children from historically disadvantaged communities in South Africa, in partnership with Wordworks and SmartStart;
 - Financial support to schools located in key fruit production and needy rural areas;
 - Northern Cape Province Occupational and Primary Health Care programme, in partnership with the local government department;
 - School Aid UK and RSA, in partnership with Capespan (UK) and Maersk Shipping Line; and
 - Various community life-skills, sport and socio-economic development projects in rural fruit production areas and/or needy communities.
 - Employees volunteering are supported with funding allocations based on welfare/NGO projects nominated or sufficiently motivated for, but not covered by the company's CSI mandate. This expands the reach of Capespan beyond what can be done at a corporate level.
 - In 2017, approximately 5 000 people benefited from projects developed and supported as part of Capespan's CSI initiatives.



- *Pioneer Foods*
 - Pioneer Foods is involved in various community projects in education, environment and food security. These projects focus on vulnerable groups, such as women and youth in township and rural communities. Pioneer Foods also invests in feeding schemes. Approximately R9,6m was distributed to beneficiaries during the past year. The Pioneer Foods' Education and Community Trust ("PFECT") also contributed a further R8,3m to various initiatives. Below are a few of the CSI projects:
 - Mbekweni Youth Centre (financial assistance of R2,4m for the construction of the Mbekweni Youth Centre).
 - PFECT Bursary Programme (the bursaries support historically disadvantaged students in high school and tertiary institutions. In 2017, approximately 41 students were bursary recipients in this programme).
 - School Breakfast Nutrition Programme (breakfast cereals are provided to 25 788 learners in six provinces daily).
 - Responsible Me Programme (this intervention provides HIV/Aids training to high school learners, educators and parents in KwaZulu-Natal, where there is high prevalence of teenage pregnancy and HIV/Aids).
- *ProVest*
 - ProVest's initiatives are focused on, but not limited to, education support, infrastructure development, skills development and job creation in the communities they operate in. Similar to many of the group's investees, ProVest believes in education as being the key to addressing some of these challenges, with the majority of the CSI budget directed towards education initiatives. Some of these CSI initiatives include:
 - Financial assistance towards new shoes, socks, stationary packs, gift bags and sport equipment provided to schools in Rustenburg and the Limpopo province.
 - Skills development initiatives included the enrolment of 30 historically disadvantaged learners in business administration and IT end-user development NQF-aligned learnerships, the majority of whom were disabled.
 - ProVest also assisted the Luka community in Rustenburg by providing a container that was repurposed into an office. This was to provide community members with an establishment where they can submit their CVs and leaders with a space to conduct their meetings.
- *Energy Partners*
 - Over the past three years, Energy Partners has supported the Pearl Project Community Development initiative in the Helderberg area. The initiative focuses on early childhood development and has established three crèches that serve the local community.
 - Energy Partners has also funded the AmazingBrainz programme used at the crèches. Besides a curriculum that is focused on childhood development, the programme also provides coaching and mentorship to employees to ensure they are equipped and qualified to implement the curriculum.
 - Furthermore, employees have also volunteered their time to assist in the maintenance and renovation of the school premises. The goal is to create a haven for children where effective preparation for primary school can take place. In total, approximately 75 kids attend the crèches.



- *ITSI*
 - ITSI is invested in education and believes in improving the educational system in South Africa.
 - In January 2018, ITSI joined forces with iSchoolAfrica (an education initiative that reaches under-resourced schools across South Africa in rural and urban settings) and Jacaranda FM to empower teachers and learners at Ntsha-Peu Primary School in Soshanguve, Gauteng. Jacaranda listeners were encouraged to donate their previously loved iPads. 20 iPads and a further 40 tablets were donated to the school, all containing educational apps, resources and e-books. ITSI donated R150 000 to assist in the training and support that the initiative provides to the teachers and learners at the school. The strength of this project lies in the ongoing training and support provided by iSchoolAfrica and ITSI to the teachers at Ntsha-Peu.
 - Furthermore, ITSI is continuing their efforts and support by joining a task team steered by BMW to provide a basic infrastructure and an IT lab at Ntsha-Peu.