

# **Corporate Social Investment Policy**

## **1. Background**

CPA's Corporate Social Responsibility Program commenced as a staff initiative in 2011. It was very well received and the initiative was enthusiastically styled as "City Property's Antz at Work", synonymous with the idea of unselfish and diligent collaborative efforts for a greater benefit.

Urban renewal is a fundamental tenet at CPA who are leaders in this market. With a core business philosophy of "Heroism supported by Premium Quality i.t.o. segment served" and a mantra that states "We change streets" CPA clearly recognizes its responsibility to assist in improving the lives of disadvantaged communities in its operating environment. CSI is therefore well aligned with CPA's company strategy and values and contributes to the company's overall mission and vision.

CPA's Corporate Social Investment (CSI) Programme is a deliberate, well focused, coherent and progressive programme that is:

- A sincere, enterprise wide participative initiative.
- Well aligned with the company's vision and strategic focus.
- Has a real and positive impact on our communities.
- Has well defined focus areas.
- Well-co-ordinated.
- Collaborative with the company's stakeholders, both internal and external.
- Guided by a common policy framework.
- Congruent with the company's values.
- Aligned to the core business.

## **2. Purpose of the CSI Policy**

The purpose of this CSI Policy is to:

- Clearly articulate CPA's CSI strategy and to set broad objectives, policy and procedures by which CPA will identify projects as well as structured processes and procedures that will be used in managing and executing its CSI strategy.

## **3. Policy Statement**

City Property recognizes the real threat of urban blight in South African inner cities as authorities grapple with finding the right model for a thriving African City that embraces cultural diversity. CPA has had considerable success in creating world class inner city living and trading areas for its residential, commercial and industrial customers. CPA believes that being a responsible and contributing corporate citizen to the broader environment is necessary for the equitable development of South Africa's inner cities 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 and creating pride in the communities of our cities and surrounding support areas.

#### 4. CSI Programme Objectives

The following are commonly shared objectives of CPA's CSI programme:

- Espouse the values of City Property in its market and broader communities and with its stakeholders by making a positive and meaningful impact on the quality of life on the disadvantaged communities
- To develop and empower disadvantaged communities in the social, economic and environmental spheres for the sustainability and long term growth our cities and country and in turn the company;
- To enhance the company's reputation as a caring corporate citizen
- To leverage off our stakeholder base for the benefit of our communities
- To attract socially responsible and skilled staff who are willing participators in our targeted initiatives and live the values and are proud of their brand.
- To increase customer and broader stakeholder goodwill through participation and acknowledgement of our CSI initiatives.
- To support the strategic positioning of CPA as a contributor to the development of the CBD in the broader context.

#### 5. CSI Focus Areas

The focus areas outlined in this policy indicate areas in which CPA shall direct their Corporate Social Investment spend. In allocating resources to the outlined focus areas, CPA shall be guided by the need to:

	<b>FOCUS AREA</b>	<b>COMMENT</b>
1.	Focus on communities in which the company operates;	CPAs principal focus is the CBD's of Johannesburg and Pretoria and it is these communities and areas that we believe we can most effectively make meaningful contributions to.
2.	Emphasize investments in disadvantaged communities;	Focus will be on disadvantaged communities
3.	Support programmes that engender empowerment and development within communities and the property industry.	Cash contributions will be avoided and preference given to sustainable long term empowering initiatives.
4.	Focus on projects that utilize our specialist skills, knowledge and those of our stakeholders.	CPA and its stakeholders are skilled in the property management, refurbishment, negotiation and resource management arenas and will endeavour to exploit these skills to the advantage of our beneficiary projects.

5.	Sports.	CPA recognizes the unifying role that sport has played in South Africa as well as the health, leadership, teamwork and other benefits that it engenders. It also gives a healthy alternative to the lure of other vices in the street life or urban dwellers, to the extent that there is a benefit within our target communities we will consider sport.
6.	Children in and around the CBD and its surrounds.	Children in and around CBD's are a primary focus. This may include surrounding suburban areas and townships.
7.	Education	Education is a cornerstone to the success and long term value creation in South Africa. Improving learning facilities and conditions, as well as nurturing talent are recognised as important.

5.1. CPA's social investment programme attempts to address these needs by supporting:

- Projects that are geared towards providing and improving the facilities available to disadvantaged communities.
- School Feeding Schemes and similar schemes aimed at disadvantaged communities.
- Stationary Drives to deliver better quality tools and facilities to learners.
- Encouragement of inner City sport facilities and competitions which forms part of recreation and getting the children off the streets and into structured sporting programmes.

5.2. Criteria for Selecting Projects

All organisations and projects identified for financial support from CPA must:

- Focus on the disadvantaged communities within which CPA operates or those suburbs that serve the city and have the clear objective of improving the quality of life of members of that disadvantaged community.
- Have an established track record and be able to demonstrate good internal controls and some form of sustainability;
- Preference will be given to organizations registered as Non Profit Organisations with the Department of Social Development's NPO Directorate and have Section 18(A) tax exemption status;

### 5.3. General Exclusions

CPA will not offer financial support to:

- Profit-making organisations and companies;
- Religious organisations for sectarian activities;
- Political parties or groups with partisan political affiliations;
- Labour movements/ Unions;
- Organisations that have been in existence for less than one year
- Organisations that are not registered as Non Profit Organisations with the Department of Social Development's NPO Directorate will be considered in special circumstances.

### 5.4. CSI Budget

CPA's CSI expenditure will be comprised of:

- Staff Financial contributions: a voluntary after tax deduction via payroll. The amount is at the employees discretion.
- City Property Contribution: CPA undertakes to match the total contribution above.
- Any sponsorships raised by City Property Employees in any Fund raising initiatives (e.g. Cycle Race sponsorships)
- Contributions from Octodec Investments Limited.

The budget will run from the 1st of March to the end of February each year.

The following split is proposed for CPA's CSI budget:

- (A) Employee Volunteerism is styled "Antz Choice" and these projects will be nominated by divisional heads or their nominated representative.
- (B) "Corporate Antz" are the projects comprising the funds contributed by Octodec Investments Limited as well as any surplus funds not utilized by Antz Choice. (Administered on a "use it or lose it" basis)

## 6. Employee Involvement

- CPA realises the value of involving employees in its CSI activities and as such has developed an employee participation programme that will address the needs of the employees in a holistic manner whilst also achieving its corporate objectives.
- CPA will develop a formal employee volunteer programme where employees will be encouraged to volunteer at set days during the year at a range of community development projects.
- These volunteer projects will include the projects that the company's CSI programme supports, as well as staff-nominated projects.

- The HR policy will permit half a day for volunteer projects where employees need not apply for formal leave if they are actively involved in a CSI project. The relevant Project Manager of the volunteer projects needs to submit proof of the project in order for the staff member to qualify for the leave.
- CPA recognizes that many social investment initiatives require highly specialized professional skills in interacting with the disabled and other individuals and it will not subject its employees to undue pressure to work in an environment that they may find emotionally disturbing or uncomfortable.
- Employee volunteering support can include volunteer time, financial contributions and donations in kind. The volunteer needs of projects that the company is supporting will be identified and communicated to employees to ensure that employees are aware of the opportunities available.

## **7. Decision-making Structure & Roles and Responsibilities**

CSI will always have an Executive of City Property as the Head of CSI. Responsibilities will include:

- Determining the CSI policy and strategy;
- Determining the CSI budget and allocation;
- Approval of selected projects for investment;
- Drawing up of contracts/grant agreements with the selected projects;
- Monitoring the effectiveness of funded projects;
- External and internal CSI reporting;
- Co-ordinating the implementation of an effective CSI communication programme.

The CSI programme will be managed on a day to day basis by the CSI Committee whose responsibilities will include:

- Identifying, screening and selecting CSI projects;
- Managing CSI expenditure;
- Managing the implementation of selected projects on a day to day basis.

The Executive Committee will comprise 3 City Property Executives and be responsible for:

- Final approval of the CSI budget;
- Final approval of the CSI policy;
- Monitoring the implementation and outcome of CSI initiatives.

Project approvals will be done in terms of SODA (The Company's approved Schedule of Delegated Authority)

The above will be administered in terms of Company MOI a copy attached hereto.

## **8. Reporting Structure**

### **8.1. Project Reporting**

- Exact reporting formats and dates for report submission shall be set out in the grant agreements to be signed by each of the major projects funded.
- Volunteer projects supported through employee volunteer hours will be required to sign contract letters which will specify reporting requirements.

### **8.2. Management Reporting**

The Head of CSI will report to the Executive Committee as well as to staff on the selected projects' progress.

## **9. Communication**

The CSI communication plan will communicate information on CPA's CSI 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.

The development and implementation of the external and internal communication plan will be the responsibility of the CSI Head.

### **9.1. Internal Communication**

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

- Intranet; SharePoint
- Corporate Communications email – CityBuzz;
- Management Forum meetings;
- Management Communication Forums;
- Employee newsletters; (City Slicker and City Talk)
- Public space posters;
- Employee induction presentations;
- Social Media.

### **9.2. External Communication**

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

- Octodec Investments Limited, Social and Ethics Committee;

- Company website, both Octodec Investments Limited and City Property;
- CPA newsletters (City Life);
- Social Media;
- Company brochures and other marketing collateral;
- Tender documents;
- Public Relations programme including press releases and publicity; all in accordance with the company's Media Policy.
- CPA is aware of the sensitivity surrounding publicity and photographs of affected persons in community projects and will comply with any rules their organisation wishes to apply.

## **10. Evaluation and Feedback**

- 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.
- For larger projects, 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.
- The extent of evaluation on smaller projects will be determined according to the size of grant. An evaluation process will be used involving the use of application forms, conducting site visits and development of formal contracts with set reporting requirements.
- Full disclosure of grantees and the amount of grants made are in the best interest of CPA in terms of good Corporate Governance practices.