



*Corporate
Social
Investment
Report
2014*

TRUWORTHS
INTERNATIONAL

Corporate Social Investment *Report*

Corporate social investment at Truworths

Truworths' corporate social investment (CSI) programme is aimed at contributing meaningfully to the sustainable upliftment and empowerment of young adults and youth from disadvantaged communities.

The programme focuses on healthcare, education, social development, arts and culture, and sport and has developed sustainable partnerships based on collaboration and trust.

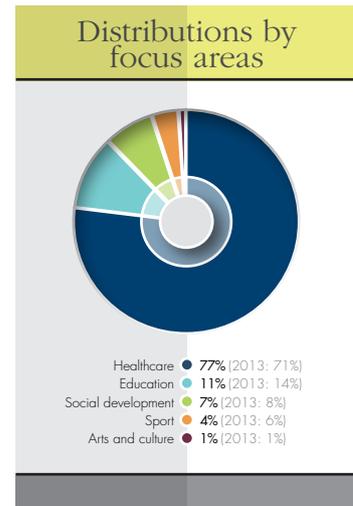
Truworths' ongoing support for the upgrading and redevelopment of major health facilities and hospitals has continued into 2014. The programme is aligned with the Department of Health's vision of providing excellent integrated health and social development services, in partnership with stakeholders, to contribute towards the reduction of

poverty, vulnerability and the burden of disease, in all communities.

In Truworths' 2014 financial year almost half of the CSI budget was allocated to healthcare projects. This enabled Truworths to upgrade the Kalafong Tertiary Hospital in Atteridgeville, Gauteng in honour of the late former president, Nelson Mandela.

An additional allocation of R2 million has been made available to upgrade a healthcare facility in the Eastern Cape, which will also be dedicated to the memory of Nelson Mandela.

The balance of the budget is allocated to long-standing projects which are continually evaluated by the trustees of the Truworths charitable trusts and the CSI team to ensure they meet the standards of good corporate governance, as well as any new projects which have the potential to become self-sustaining or require only once-off funding.



Sustainable social investment

		2014	2013
Donations by Truworths to the charitable trusts	(R'000)	10 000	13 370
Donations of merchandise by Truworths for distribution to charities	(R'000)	1 087	1 174
Total donations by Truworths	(R'000)	11 087	14 544
Total donations by Truworths as a percentage of after-tax profit	(%)	0.5	0.6
Number of projects supported during the period		28	37
Number of beneficiaries assisted in ongoing projects		4 099	4 245
Number of projects supported for over 10 years		5	5

Funding the CSI programme

The CSI programme at Truworths is funded and facilitated through charitable trusts. These trusts were established to accumulate funds that would ultimately enable the programme to become self-sustaining.

At the end of the 2014 financial period the investments held by the trusts were valued at R170.7 million (2013: R153.6 million). The returns on these investments are the primary source of funding for CSI distributions.

Truworths Social Investment Trust	Truworths Community Foundation	Truworths Chairman's Foundation
Supports organisations and projects that do not qualify for tax-exempt status.	Supports beneficiaries with public benefit organisation status.	Supports beneficiaries with public benefit organisation status that are approved in terms of section 18A of the Income Tax Act.
<p>Major projects supported in 2014:</p> <p>Observatory Junior School, Western Cape</p> <p>Operation Education: Grants for employees' children</p> <p>Operation Education: Grants for disabled children of employees</p> <p>Sisanda FunDaytion</p> <p>Truworths Future Stars Basketball</p> <p>SA Circle of Dance Academy</p>	<p>Major projects supported in 2014:</p> <p>Kalafong Hospital, Atteridgeville, Gauteng</p> <p>TSiBA College, Western Cape</p>	<p>Major projects supported in 2014:</p> <p>Cape Town Holocaust Centre, Western Cape</p> <p>Desmond Tutu HIV Foundation</p>

Supporting areas of social need

Healthcare

In the last five years Truworths has invested over R8.4 million in upgrading six hospital facilities in disadvantaged communities which are located in the vicinity of the Truworths customer base.

- Kalafong Hospital, Atteridgeville – Gauteng (R1.75 million donation)

Truworths funded the renovation of the main reception area, resuscitation area, corridors and surrounding offices in 2014. This upgrade has modernised and improved the facility, as well as providing an improved patient flow, and a morale boost for staff and patients.

- Itireleng Community Health Centre, Soweto – Gauteng (R1.8 million donation)

The renovation of the reception area, waiting rooms and offices at this clinic in Dobsonville was completed in 2013. These upgraded facilities, together with the donation of new furniture and equipment, has uplifted the medical facilities, improved the patient experience and provided a comfortable environment for its employees.

- Somerset Hospital, Cape Town – Western Cape (R2 million donation)

Truworths provided funding for medical equipment and furnishings for the new paediatric trauma ward.

- Mitchells Plain Community Health Centre – Western Cape (R1 million donation)

The paediatric trauma section was upgraded and equipment provided for the staff rest area.

- Leratong Provincial Hospital – Gauteng (R1.6 million donation)

The casualty facility and reception area at this West Rand regional hospital were renovated and refurbished.

- Hanover Park Community Health Centre – Western Cape (R275 000)

Truworths sponsored the development of the new perinatal mental health facility.

Corporate Social Investment Report (continued)

Education

Truworths continues to fund primary, secondary and tertiary education institutions. Funding has been provided for ballet, chess and art programmes for Observatory Junior School in Cape Town and for the entrepreneurship module at TSiBA (Tertiary School in Business Administration) College.

During the year the Cape Town Holocaust Centre received assistance with educational resources for a school outreach programme, which supported 12 disadvantaged schools in the Western Cape.

Social development

More than 700 children from orphanages and disadvantaged homes in the Western Cape participated in fun, educational day outings during the year, organised by Sisanda FunDaytion. A Truworths Fun Day event was attended by employees as part of a staff volunteering initiative.

Sport

The long-term partnership with the SA Circle of Dance Academy (SACDA) has continued. In the past year 20 disadvantaged youth benefited from ongoing Ballroom and Latin American dance tuition and support. The dancers, some of whom are also partners to disabled wheelchair dancers, competed in provincial dance competitions and festivals. Truworths again supported the annual Western Cape Open Disabled/Wheelchair Ballroom and Latin American interprovincial championships, with over 300 children from 16 schools for disabled children taking part in the event.

Seven Truworths Future Stars Basketball teams competed in the 2014 Western Province Basketball

Association winter league. The players were assisted with kit, transport and equipment.

Arts and culture

Truworths continued its support for Meaningful Access Programmes which arranged musical and tactile workshops for over 100 mentally and physically disabled youth.

Assisting children of employees

Truworths acknowledges the importance of assisting its own employees. The Operation Education Scheme provides annual grants to lower-level employees for the education of their children from pre-primary through to tertiary level institutions. During 2014, 657 children were assisted. In line with the Truworths performance-driven culture, special recognition is provided to children who have performed well during the academic year.

Funding is also provided to employees with disabled children requiring specialised schooling or equipment.

The Truworths Trekkers Enviro Club, which is managed by employees in Gauteng and supported by the CSI programme, arranges quarterly outings to educational and environmental projects for employees' children in the area.

Employee participation

Each year funding is allocated to the Truworths' regional offices to support worthy causes in their areas. Staff are invited to nominate projects worthy of support which meet the funding criteria of the CSI programme. The following organisations were supported during 2014:

Othandweni Children's Home, Soweto, Gauteng

Tshwaranagang Home, Johannesburg, Gauteng

Samaritan Children's Home, Polokwane, Limpopo

St Theresa's School, Durban, KwaZulu-Natal

Fund-raising drives for warm winter clothing for disadvantaged children and toys for children in need at year-end are generously supported by staff at the Truworths head office.

Through a payroll giving programme, employees donate money on a monthly basis for community benefit. The programme has been operating with the Community Chest for the last 29 years.

Donations of merchandise

More than 1.6 million items of clothing and samples were donated to community organisations during the past year, with a charitable value of over R1 million. The CSI team identifies charities which are able to rework the damaged samples, providing much-needed clothing for poor communities and work opportunities and preventing large quantities of fabric being consigned to landfill sites.

Independent verification of status of trust beneficiaries

As part of the governance process of managing the CSI programme, Truworths obtained an Independent Competent Person's Report (ICPR) to evaluate the activity and structure of the charitable trusts and to verify the status of their beneficiaries for the purposes of the socio-economic development element of South Africa's Broad-based Black Economic Empowerment (BBBEE) scorecard. The ICPR confirmed that more than 75% of the trusts' beneficiaries are black.