

**CORPORATE
SOCIAL
INVESTMENT
REPORT 2015**



TRUWORTHS
INTERNATIONAL

CORPORATE SOCIAL INVESTMENT REPORT

Introduction

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.

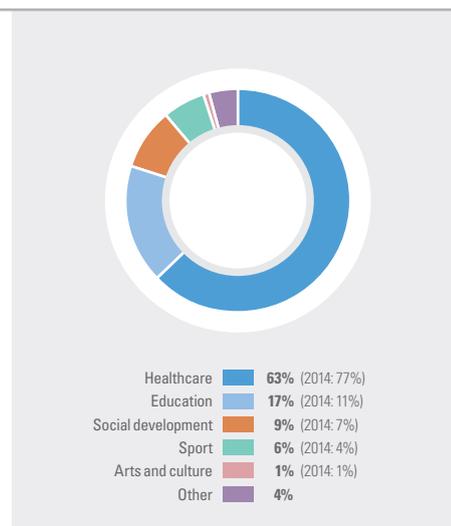
The programme focuses on healthcare, education, social development, arts and culture and sport and has developed sustainable partnerships based on collaboration and trust.

Truworths' ongoing support for the upgrading and redevelopment of major health facilities and hospitals has continued into 2015. 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 the 2015 financial period, 63% of the CSI budget was allocated to the healthcare sector. The majority of this budget is being and is still to be used to upgrade a healthcare facility in KwaZulu-Natal as part of the Group's broader programme of focusing on this sector. The Group has also commenced with the upgrade of the Livingstone Hospital in Port Elizabeth, Eastern Cape in honour of the late former president Nelson Mandela.

The balance of the budget is allocated to long-standing projects which are continually evaluated by the trustees of the Group's 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.

DISTRIBUTIONS BY FOCUS AREA



Sustainable social investment

Donations by Truworths to the CSI trusts

Donations of merchandise for distribution to charities

Total donations by Truworths

Total donations by Truworths as a percentage of after-tax profit

Number of projects supported during the period

Number of beneficiaries assisted in ongoing projects

Number of projects supported for over 10 years

	2015	2014
(R'000)	5 000	10 000
(R'000)	895	1 087
(R'000)	5 895	11 087
(%)	0.2	0.5
	31	28
	4 799	4 099
	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 their initiatives to become self-sustaining.

At the end of the 2015 financial period the investments held by the trusts were valued at R170.9 million (2014: R170.7 million). The returns on these investments are the primary source of funding for CSI distributions.

TRUWORTHS SOCIAL INVOLVEMENT 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:</p> <p>Observatory Junior School, Western Cape</p> <p>Operation Education: Grants for employees' children</p> <p>Operation Education Disabled: 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>Reach for a Dream</p>	<p>Major projects supported:</p> <p>Livingstone Hospital, Port Elizabeth, Eastern Cape</p> <p>TSiBA College, Western Cape</p>	<p>Major projects supported:</p> <p>Cape Town Holocaust Centre, Western Cape</p> <p>Orbis Africa</p>

Supporting areas of social need

Healthcare

In the last five years Truworths has invested over R10 million in upgrading seven hospital facilities in disadvantaged communities from which the Group's customer and employee base are drawn.

- Livingstone Hospital, Port Elizabeth – Eastern Cape (R1.7 million donation)

Truworths funded the renovation of the main reception area, outpatients area and surrounding offices and rest areas, with the aim of improving patient and staff experience in the 2015 financial year.
- 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 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.

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

The casualty facility and reception area at this West Rand regional hospital were renovated and refurbished in 2012.
- Hanover Park Community Health Centre – Western Cape (R275 000)

Truworths sponsored the development of the new perinatal mental health facility in 2011.
- Somerset Hospital – Cape Town (R2 million donation)

Truworths provided funding for medical equipment and furnishings for the new paediatric trauma ward in 2010.
- Mitchells Plain Community Health Centre – Western Cape (R1 million donation)

The paediatric trauma section was upgraded and equipment provided for the staff rest area in 2010.

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 the Observatory Junior School in Cape Town and for the entrepreneurship module at TSiBA (Tertiary School in Business Administration) College.

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 1 200 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 10 years, 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 350 children from 17 schools for disabled children taking part in the event.

Seven Truworths Future Stars Basketball teams competed in the 2015 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 2015, 545 children were assisted.

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 members are invited to nominate projects that are worthy of support and which meet the funding criteria of the CSI programme. The following organisations were supported during 2015:

SOS Children's Village, Gauteng

Manger Care, Benoni, Gauteng

Ngwana Baby House, Centurion, Gauteng

Perinatal Mental Health Project, Western Cape

Fund-raising drives for warm winter clothing for disadvantaged children and toys for children in need and at Christmas time, are generously supported by staff.

Donations of merchandise

More than 60 000 items of clothing and samples were donated to community organisations during the past year, with a charitable value of close to R900 000.

The CSI team identifies charities which are able to rework the garments and fabric, providing much needed clothing for poor communities and preventing large quantities of fabric being consigned to landfill sites.

Independent verification of beneficiary status of trusts

As part of the governance process of managing the socio-economic development programme, Truworths obtained an Independent Competent Person's Report (ICPR) to evaluate the activity and structure of the CSI trusts and to verify the beneficiary status in terms of BBBEE legislation. The ICPR confirmed that more than 75% of the trusts' beneficiaries are black.