



## CORPORATE SOCIAL INVESTMENT POLICY DOCUMENT

**Lewis Group Limited**

**CSI Policy Document and Operational Guidelines**

### **Part 1: Introduction:**

Lewis seeks to improve the quality of life of all our stakeholders by positively impacting on their lives. As such, we seek to be an integral part of the community, recognised by the communities in which we operate as a dependable, caring and an ethical corporate citizen.

Our core CSI strategy is reflected in our motto: Supporting communities that support us. The majority of our support goes toward education and training followed by health and social development – especially towards the plight of children at risk in our society. We endeavour to make a difference in our communities and society.

CSI is managed along firm and transparent criteria, as well as clear corporate governance principles detailed in this policy document.

### **CSI Position Statement**

We wish to enhance our brand, both to our customers as well as to our employee base, through active pursuit of an integrated CSI strategy in a transparent manner.

## **Part 2: Corporate Social Investment Guidelines**

Lewis' target is to budget 1% of its after tax profits for CSI initiatives. This target will be achieved progressively in terms of approved projects.

### **Top Management Buy In:**

The CSI Program is supported by the board and employees within the organization.

### **Human resources available to CSI programme:**

- CSI Manager – Ms Sharon Rohm
- CSI officers – Ms Colleen Adams & Ms Malvina Cowan
- Transformation Committee includes 3 Directors of the Lewis Group Board.
- Approval of funding – Chief Financial Officer and Chief Executive Officer.
- Branch Managers and branch staff – involved in the handover of donations/beneficiary selection
- Head Office merchandising team – involved in sourcing the product as donations.

### **Integration:**

Our aim is to engage CSI participation from every level of the organisation by:

1. actively seeking employee community involvement opportunities
2. communicating these projects through our internal communication channels
3. encouraging our stakeholders to get involved

### Part 3: Strategic Guidelines:

#### Investment Strategy:

The corner stone of our social investment strategy is to identify opportunities that:

- Are in line with our company's goals and objectives.
- Promise sustainability.
- Show measurable results in the short, medium and long term.
- Create a win / win between the company and beneficiaries.
- Offer the greatest social impact and value for the Company.

The Company focuses on mobilizing charities that operate in the fields of:

- a) Welfare
- b) Education
- c) Health

The Company intends accomplishing the following in the community:

- Primary: all children at risk, especially AIDS orphans, their nutritional, educational and social wellbeing needs. Education and education facilities.
- Secondary: shelters, feeding schemes, school feeding, community sports development, homes for abused women, and the elderly.
- Societies for the Blind, Deaf, Disabled, Childline, etc.

The Company opts for:

- Fewer, larger projects
- Mobilising community based projects.
- Communities close to business operations
- Communities where our staff live
- Creating working models that can be replicated

**Resource Allocation:**

The Company commits to direct and indirect financial investment in socially responsible initiatives and activities and allocates funds throughout the year.

- Direct financial investment – financing approved projects.
- Indirect investment – a contribution in kind (e.g. resources, goods & material).

**Tax Exemption:**

The Company does not require beneficiaries to have a Section 18A status, which provides for the deductibility of donations made to certain public benefit organizations. However it is preferable that a potential beneficiary has Section 18 A status.

**Sustainability**

We prefer to support projects that are striving towards self-sustainability. The project must be sustainable after a fixed period of time agreed by both parties. The beneficiary is informed of these funding conditions.

**Beneficiary Reporting**

We require regular feedback for our support to continue.

## Part 4: Fund Allocation

### Portfolio Weighting:

The Company has developed a benchmark for fund allocation, ensuring effective social investment. The portfolio weighting is set out below:

Budget Allocation	%
Employee Community Involvement:	6%
Primary Projects:	64%
Auxiliary Projects:	10%
Foreign states	10%
Sundry donations	10%

### What The Company Does Not Fund:

- Loans
- Purchasing of equipment for research purposes
- International Programs & Institutions

### Exceptions:

- We will occasionally support individual requests where the beneficiaries are linked to a store (customers) or staff members.

## Part 5: Human Resources & Governance

### CSI Officer:

#### Responsibilities Of The CSI Officer:

The CSI Officer is required to stay informed in the areas set out below:

- The Regulatory Environment surrounding Corporate Social Investment.
- The degree to which the Company gets involved in the various projects.
- The Nature Of The Projects: and successes of the beneficiaries the Company supports

Day to day responsibilities include:

- CSI Reporting and communication
- Feasibility studies and sustainability assessment
- Project selection
- Relationship management
- Budgeting control

#### CSI Officer Mandate:

The CSI Manager allocates funding up to a certain level thereafter funding approval for larger projects must be obtained from the Chief Executive Officer or the Chief Financial Officer.

#### Employee Community Involvement:

The Company encourages employees to get actively involved in community programmes.

- Cash/Payroll Giving: Direct debits, tithes gifts.
- Staff Community project – Individuals are encouraged to engage in a range of projects within the community they serve.
- Team Challenges: For example: The Twilight Team Run, etc.

## Part 6: Beneficiary Selection

### Fund Application:

We request the following on fund applications:

- Contact details
- Project description
- Proposed objectives & outcomes
- Realistic & comprehensive budget
- Plans for sustainability
- What is required of our Company

### Evaluation:

The Company:

- Places a high value on direct, first-hand information and ensures that information is gathered in a thorough and unbiased manner.

The Company assesses projects for the following:

- Proven project model.
- Project sustainability.
- Transparency.
- Quality management team.
- Accountability/Responsibility.
- Fits our investment strategy.
- Does the project genuinely address community issues or problems?
- Is the project viable and socially acceptable?
- Is the community itself prepared to commit its support for the project?
- Is the project high risk? Is it a pilot?
- What contributions are the various rollplayers expected to make?
- The ratio of administration costs to beneficiary spend.
- The viability of the organization.
- Exposure to reputational risk.

- Any other vital issues or considerations affecting the project.

### **Approval Process**

Successful requests for significant levels of funding are presented to the funding committee for consideration. The committee consists of the CSI Manager, Chief Executive Officer and Chief Financial Officer.

A deeper evaluation of the potential beneficiary takes place and usually requires more in-depth information from the applicant and where possible, a visit to the project. If the committee is satisfied with the additional research and outcome of the field visit, then the proposal will be approved and signed off.

The projects now enter the funding stage where the Company and beneficiary enter into a legally binding contract, if necessary, and arrange timelines and deliverables.

### **Resource Mobilisation:**

Wherever possible, the Company will facilitate procurement and negotiate best prices on behalf of the beneficiaries.

## Part 7: Reporting

### CSI Recognition:

Whilst achieving developmental impact is the core objective, the Company does request some level of recognition for its CSI activities. The Company would seek to display its logo and obtain media coverage where ever possible.

The Company recognises the importance of CSI communication and endeavours to draw awareness to its social investment activities by regularly informing stakeholders.

- CSI Reports are produced for the Transformation Committee bi-annually with senior leadership input.
- Communication with staff through internal channels.
- The Company receives regular, detailed, transparent accounts of application of funds from beneficiaries.



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**L A DAVIES**  
**CHIEF FINANCIAL OFFICER**



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**S A RÖHM**  
**CSI MANAGER**