



Group Standard	Corporate Social Investment Standard
Standard Number	MRL-STD-CSI-001
Version	Final
Function	Sustainability
Date Approved	29 May 2013
Standard Owner	Donique de Figueiredo
Accountable Director	Andrew Skudder
Pages	7

---

## CORPORATE SOCIAL INVESTMENT STANDARD

---

Amendment description:	Version	Approved by:	Approved Date:	Signature
	Final	MRL Board	29 May 2013	

**TABLE OF CONTENTS**

<b>1. Purpose and Background .....</b>	<b>3</b>
<b>2. Scope.....</b>	<b>3</b>
<b>3. Principles .....</b>	<b>3</b>
<b>4. Governance.....</b>	<b>4</b>
<b>5. Strategy .....</b>	<b>5</b>
5.1. Focus areas .....	5
5.1.1. Primary focus areas.....	5
5.1.2. Secondary focus areas .....	5
<b>6. Rules and regulations .....</b>	<b>5</b>
6.1. Alignment.....	5
6.2. Professionalism .....	5
6.3. Focus.....	5
6.4. Partnerships .....	6
6.5. Centralised budget.....	6
6.6. Participation.....	6
6.7. Flagship projects.....	6
6.8. Brand awareness .....	6
<b>7. Budget .....</b>	<b>6</b>
<b>8. Monitoring &amp; evaluation .....</b>	<b>6</b>
<b>9. Communicating CSI.....</b>	<b>7</b>

## 1. Purpose and Background

The pursuit for sustainable economic growth and global competitiveness in South Africa is juxtaposed against a large, highly complex and struggling education system. The task of delivering quality education that produces adequately trained professionals requires more than the national and provincial Departments of Education in South Africa can achieve on their own. It requires the active support of a range of government departments, civil society agencies and the private sector.

It is within this context that the Murray & Roberts Corporate Social Investment (CSI) strategy is firmly rooted within education. Murray & Roberts recognises that education is the starting point for the country's talent pool and a sustainable development foundation. As such, Murray & Roberts has adopted a deliberate and targeted CSI strategy as the conduit through which we aim to influence and impact on the delivery of quality education in South Africa.

## 2. Scope

This standard applies to the implementation of Corporate Social Investment (CSI) activities on behalf of the Murray & Roberts Group of companies. Corporate Social Investment is managed centrally within Murray & Roberts Limited but considers the needs and interests of all Murray & Roberts companies, clients, stakeholders and communities in which we operate.

We engage in strategic CSI activities in order to:

- Develop and empower disadvantaged communities for the sustainability and long-term growth of country and the Group.
- Create synergies between supported initiatives and the human capital needs within Murray & Roberts business operations.
- Contribute towards meeting key human resources development priorities as identified by industry charters in order to address the skills gap.
- Increase the Group's potential workforce through skills development in underdeveloped communities.
- Build and improve relationships with the Group's existing and potential stakeholders through mutually beneficial partnerships.
- Increase customer goodwill and loyalty by contributing to the development of disadvantaged people in the country.
- Retain and enhance the loyalty and pride of existing employees by instilling passion for the Group's values.

## 3. Principles

Murray & Roberts is committed to transparency, with full disclosure of our CSI activities.

We promote public-private partnerships and actively seek opportunities to work with government and other donors.

Murray & Roberts is committed to responding to socio-economic challenges facing the country and in so doing we will regularly review our CSI policy and strategy to ensure that our contribution is relevant and appropriate.

Murray & Roberts is committed to delivering on our mandate as a responsible corporate citizen and as such we monitor relevant legislation, codes of good practice and best practice trends within CSI and education more specifically.

Murray & Roberts actively communicates CSI activities and achievements to employees within the Group.

Murray & Roberts will continue to raise awareness regarding our CSI activities among opinion leaders and other stakeholders of the Murray & Roberts Group.

#### **4. Governance**

Corporate Social Investment is governed by a CSI Committee. The CSI Committee is a Board-appointed group authorised to assist the Board in achieving the Company's stated objectives to support sustainable social development through community development initiatives.

The CSI Committee has a dual reporting function, reporting to both the Murray & Roberts Limited Board and the Social & Ethics Committee. The CSI Committee has no less than five members, three of whom are directors. The CSI Committee is responsible for:

- The Group's CSI policy, strategy and overall implementation.
- Reviewing implementation of CSI activities and partnerships.
- Reviewing and making recommendations to the Board for the allocation of the CSI budget.
- Producing an annual report on the group's CSI activities.

The CSI programme is implemented by Group CSI, a unit within the Murray & Roberts Corporate office. Representatives within Group CSI report to the Director for Sustainability as well as the CSI Committee. Group CSI is responsible for:

- Identification of suitable projects and partnerships
- Screening funding proposals
- Conducting due diligence in relation to new and existing projects
- Communication with existing and potential CSI project partners
- Monitoring and evaluation of lead projects
- Maintenance of systems for monitoring and reporting on projects
- Monitoring of and reporting on CSI activities within operating divisions
- Day-to-day CSI activities
- Convening and shaping the agenda of the CSI Committee
- Communication of results and outputs
- Continual review and refinement of CSI operations

## 5. Strategy

A targeted CSI strategy enables Murray & Roberts to partner with community-based and other specialist organisations, providing much needed financial resources to effect sustainable change within the education, skills development and job creation landscape.

### 5.1. Focus areas

#### 5.1.1. Primary focus areas

CSI at Murray & Roberts is aligned to its business needs by supporting skills development, with a focus on the development of critical skills in engineering and construction. The national focus areas of Murray & Roberts' CSI activities include:

- Mathematics, science and technology education in primary and secondary schools;
- Numeracy & literacy education in early childhood development; and
- Environmental education linked to primary or secondary schools.

Operating within the stated objectives and principles, and subject to the availability of funds, Murray & Roberts CSI also funds the implementation of secondary projects within education which include:

#### 5.1.2. Secondary focus areas

- Systemic school improvement and whole school development projects;
- School leadership, management training and educator development; and
- Strategic education projects initiated by national, provincial and district education departments.

## 6. Rules and regulations

The following overarching framework informs the implementation and management of our CSI programme and related interventions:

### 6.1. Alignment

CSI projects should be aligned to our business strategy as well as national development priorities in order to optimize their impact and sustainability. In particular, the Group encourages projects that are either aligned to the business needs of Murray & Roberts (such as training in technical skills) or those that are geographically aligned to the company's operations and which complements government spending.

### 6.2. Professionalism

CSI activities are undertaken with the same seriousness as other core business functions.

### 6.3. Focus

Mathematics, science and technology education, literacy and numeracy education in early childhood development and environment education remain primary focus areas for intervention and receive priority funding.

#### **6.4. Partnerships**

Murray & Roberts pro-actively engages in partnerships with NGOs and social change agencies, government departments, industry partners and stakeholders involved in development.

#### **6.5. Centralised budget**

A centralised budget for CSI that is accessible to all Murray & Roberts companies.

#### **6.6. Participation**

Murray & Roberts engages employees as 'champions' who act as ambassadors of the company in their communities, while also raising employees' understanding of the value of CSI and enhancing pride in Murray & Roberts as an employer. Murray & Roberts also encourages and facilitates opportunities for employee community involvement.

#### **6.7. Flagship projects**

Murray & Roberts leverages CSI spending by investing a significant percentage of the CSI budget in fewer and larger flagship projects that are aligned to our key focus areas and business needs, while still maintaining limited support for smaller initiatives.

#### **6.8. Brand awareness**

Murray & Roberts brands projects and partnerships according to a defined corporate branding strategy to ensure appropriate and consistent exposure of the Murray & Roberts' brand and our contribution to schools and communities.

### **7. Budget**

The CSI programme budget is developed annually, taking into account company performance as indicated by relevant benchmarks (i.e. percentage of EBIT, EAT, dividends and payroll). The CSI budget allocation aims to be at least 1% of the South African businesses' net profit after tax earnings.

A significant portion of the budget is committed to projects in maths, science and technology education while smaller budgets are allocated to numeracy and literacy in ECD and environment education projects.

In keeping with the DTI Codes of Good Practice, 75% of the beneficiaries of all projects supported should be Black and the vast majority of beneficiaries should come from under-privileged communities.

### **8. Monitoring & evaluation**

Murray & Roberts recognises the need for its CSI programme to focus on developmental impact. Given this investment-orientated approach to CSI, we are committed to quality measurement and evaluation.

All major CSI projects are monitored on a regular basis and we review two or three projects annually. The annual project reviews are used to inform discussions on how developmental impact and return on CSI effort can be improved. The assessments are also used to determine future funding patterns.

A formal management information system (MIS), called IS Kidz is used to capture inputs, track key measurement indicators and generate reports on project progress. The IS Kidz system supports governance and assurance requirements in the management of CSI at Murray & Roberts.

## 9. Communicating CSI

Effectively communicating all our CSI activities plays a vital role within the Group, helping to engage employees, providing feedback to internal stakeholders and enhancing Murray & Roberts' image amongst external stakeholders and partners.

To raise awareness of our work in building communities we use:

- Internal **CSI Champions** to spread the word in their local areas
- A Building Sustainable Communities **Powerpoint presentation** for new staff or those unfamiliar with Murray & Roberts CSI.
- Articles and detailed content on the **Interchange** (the Interchange is the intranet)
- **Awareness posters** and a community development **Fact Sheets**
- **Email newswashes** linked to specific content on Interchange
- **SMS messages** to employees who don't have access to Interchange or email

For more information about these communications tools contact [csi@murrob.com](mailto:csi@murrob.com).

