

CSI Can No Longer Be a Tick Box Exercise for Businesses

South African companies spent an estimated R10.9 billion on corporate social investment (CSI) in 2022, reflecting its growing recognition as a business imperative in the country. This is according to The Trialogue Business in Society Handbook which revealed that the most popular areas of spending were education, social and community development, and health. However, given that 18.2 million people in South Africa live in extreme poverty, there is still more to be done.

Deb Zelezniak, CEO at the <u>Santa Shoebox Programmes</u>, believes that South Africa is at a turning point where CSI can no longer be a mere tick box exercise for businesses. "Rather, it should be considered a long-term investment in the sustainability of society and the environment. As the world grapples with climate change, social inequality, and poverty, businesses must take responsibility for their impact and actively work towards a sustainable future for all."

Investing in children for societal change

The recently released <u>PwC Africa Business Agenda: ESG Perspective 2023</u> shows that CEOs in Southern Africa are the most concerned about social risk, with two out of three seeing exposure to threats stemming from social inequality.

With this in mind, businesses not only need to consider what they can do to reduce social inequality today, but also what they can do ensure that it's a thing of the past in years to come. "It's for this reason that investing in our children is critical as they will be the future leaders and employees of South Africa," says Zelezniak.

She suggests that businesses consider focusing on supporting early childhood development (ECD) interventions, as global <u>evidence</u> shows that investment in quality educational programmes for young children has a significant effect on reducing poverty and inequality across society. Currently however, <u>two-thirds</u> of children eligible for early childhood development (ECD) programmes do not have access to these interventions.

Government support for CSI initiatives

The South African Government also recognises the impact that CSI initiatives can make, and provides incentives for businesses to get involved. "This includes tax deductions of 10% for donations to approved public benefit organisations (PBOs) under Section 18A of the Income Tax Act, the Broad-Based Black Economic Empowerment (B-BBEE) scorecard, and the Employment Tax Incentive (ETI)," explains Zelezniak.

The Santa Shoebox Project is one of the registered PBOs that rely on the support of businesses to reach more beneficiaries and make a lasting difference. "By making donations or partnering on implementations, businesses can contribute to a worthy cause and benefit from tax deductions, in addition to creating a more positive brand image," she points out.

"Monetary donations are allocated to Santa Shoebox Legacy which focuses on providing access to quality educational resources around the country. This includes establishing new and transforming existing ECD centres in rural South Africa, as well as training educators, improving access to potable water, literacy and nutrition for growth and development," outlines Zelezniak. "Alternatively, businesses can donate shoeboxes packed with treats and essentials for children, as a meaningful and fun team-building exercise."

A long-term strategy for business success and social sustainability

"CSI is no longer just a feel-good exercise; it is a critical component of a company's business strategy since it addresses the issues that can impact its operations and bottom line," states Zelezniak.

"By supporting approved PBOs, businesses can make a tangible difference in the lives of underprivileged communities, enhance their own reputation and brand loyalty, and, most importantly, address social issues. The Santa Shoebox Programmes and the 1,152,587 underprivileged children who have benefitted so far, thank you. Let's continue to grow this number and create a sustainable future for all," she concludes.

About the Santa Shoebox Programmes

<u>Traditional Santa Shoebox</u>: Over the last 16 years, 1 077 289 Santa Shoeboxes each containing eight specified items of treats and essentials have been given to underprivileged and socially vulnerable children throughout South Africa and Namibia. From 01 September each year, Santa Shoebox donors choose their beneficiary child/ren by name, age and gender and are given the child's clothing size. Each personalised shoebox reaches the very child for whom it was pledged. Using the Santa Shoebox app, donors are able to track their shoebox from the moment it is pledged to the magical moment it is handed to the child.

<u>Virtual Santa Shoebox</u>: These shoeboxes are purchased online by donors and are available year-round, meeting the needs of donors who live too far from drop-off points, are too busy to shop or have health issues. Components are chosen by the donor on the Santa Shoebox website, the shoeboxes are packed by the Santa Shoebox Team and delivered to children attending far-flung rural facilities. A Virtual Santa Shoebox contains the eight specified items, as well as additional items, such as masks, a lunchbox and books. A Virtual Santa Shoebox costs R450 plus an optional delivery fee of R30.

<u>Santa Shoebox Legacy</u>: All Santa Shoebox Project operating costs are covered by corporate sponsors. Privately donated funds have been accruing under the SSB Legacy Fund which are now being used to bring permanent change to the lives of Santa Shoebox beneficiary children and the impoverished communities in which they live

<u>Fiduciary information</u>: As a Level One Contributor to B-BBEE, the Santa Shoebox Project earns 100 points on the generic scorecard, and with Section 18A status, is able to provide a tax-deductible receipt in recognition of donations. The Project is an initiative of the JOG Trust (IT2671/2009). The Trust is registered as a Public Benefit Organisation (PBO-930031301), a Non-Profit Organisation (NPO 102-098) and holds a current ICPR in support of 100% SED compliance.

Social media: Facebook: /SantaShoebox Twitter: @SantaShoebox Instagram: /santashoebox

YouTube: The Santa Shoebox Project

Pinterest: /santashoebox