

Corporate Social Investment Policy

May 2021

“Our Family Serving yours.”

Background

Corporate Social Investment (CSI) today is considered as an integral part of doing business. Companies are required to plough back to the communities to contribute to various facets of community development. There is now a global thrust to embrace corporate citizenship and sustainable business practices.

CSI is a major cornerstone for good corporate citizenship and forms an integral part of corporate accountability. Two Mountains recognizes its responsibility as a corporate citizen towards its stakeholders and the communities within which it operates. Two Mountains remains committed to sustainable development in aligning its corporate objectives to that of its performance as a corporate citizen.

Purpose

Two Mountains approach to Corporate Social Investment is underpinned by the view that we must achieve a practical balance between meeting the growing needs of society whilst simultaneously deriving value for our business.

The Corporate Social Investment policy seek out to regulate the spending of Two Mountains resources for the purpose of encouraging social investments activities. The policy provides scopes for clarification and implementation by Two Mountains head office and the regional offices. It is desirable that all parties adapt to the policy to ensure that spending is regulated and monitored according to the standards.

CSI Focus Areas

Two Mountains supports initiatives based on where the corporation is best able to apply its services, influence and resources to achieve meaningful progressive impact, especially within communities where the corporation's business activities take place. Programmes are focused and deliberate to maximize resources and have a greater impact. CSI's strategic focus is aimed at embracing selected areas and specifically target programmes directed at the upliftment of deprived communities. This adheres to universal principles of sustainability and contributes towards the Two Mountains reputation as a responsible corporate citizen.

We focus on consistent and progressive programmes that are driven by a common policy framework, have clear developmental goals, and are mutually beneficial. These focus areas are supported through the following portfolios:

- **Orphanages and Disability Homes**
- **Socioeconomic Community Projects**
- **Education Initiatives**
- **Sports Sponsorships**
- **Cemetery Projects**
- **Chieftaincy Donations**
- **Employees**

Funding support and or partnership will be established with credible organisations and or non-profit organisations that provide community development interventions in the abovementioned focus areas.

Project selection criteria

- The project must be to the benefit of the greater community, such as education, socioeconomic projects, and must reach a large number of community members.
- Project location and accessibility must promote regular visits, supervising and measuring resulting in proactive involvement in applicable projects.
- It should offer opportunities for branding/naming rights/ publicity.
- Information about the project and sustainability potential

CSI Funding

Two Mountains will fund projects, which the Company has identified in line with the focus areas stated above as per the proposals received from various stakeholders. The Company will follow the steps identified below for the funding of corporate social investment projects and programmes:

- Proposals received from communities, individuals or organizations, or proposal identified within the Company.
- Corporate Affairs function prepares the funding proposal according to the prescribed format and submits to the Corporate Social Investment Committee for consideration.
- The CSI Committee continuously monitors projects that are being funded by the Company.

CSI Programme

Two Mountains will have a Corporate Social Investment budget to support all approved projects. The budget will be formulated annually as part of the Company's annual strategic planning processes. Two Mountains CSI budget will be based on the profitability or financial performance of the Company.

CSI portfolio will be managed by the Marketing and Communications Department (Head Office) in accordance with the approved CSI policy. A Committee will be established to evaluate applications, the Committee will be coordinated by the Marketing and Communications Department and will include representatives from the stakeholder and finance departments.

The objective of the CSI Portfolio is to assist EXCO in discharging duties relating to accountability, risk, and opportunities in terms of enhancing the image of the organisation and further strengthening relations.

Ownership of the CSI policy lies within the Marketing and Communications department accountable to the group CEO of Two Mountains. The Marketing and Communications department, shall, based on the number of proposals and CSI initiatives to be rolled out within a calendar year, convene special meetings for resolution of evaluation and possible allocations of funds.

Measuring and Reporting

Continuous evaluation, monitoring, and reporting will provide evidence of performance, success stories and areas requiring attention. Reporting on CSI activities will demonstrate to Two Mountains stakeholders and other interested parties the progress the Company has made with respect to CSI to make the Company a good corporate citizen, and to comply with relevant legislation.

- Project evaluation will be carried out annually. Evaluation methods could include project beneficiary reporting, onsite visits, collection of relevant statistics and formal research.
- Measuring the success or progress of projects and by undertaking regular reviews of budget spent will determine the benefit of CSI to the company and to the

Group as a whole. This can be based on a cost benefit analysis, by assessing the inputs of the CSI programme as a cost to the business and the outputs in terms of its impact.

- Post-mortem by means of evaluation and audits at the completion of the project should be introduced in order to gauge the impact of the CSI project and its long-term sustainability.