

## Abax Social Impact

At Abax we firmly believe that we have to have a positive impact in South Africa; we cannot just exist to make a profit. In the narrower context of social and environmental impact, are involved with the following:

- We have 6% of our shares allocated to the **Abax Development Trust** that specifically focusses on Early Childhood Development (ECD). The Trust, like the rest of Abax shareholders, earns dividends which can be distributed according to its mandate. We recognise that SA has many broken societies which inadvertently results in their children starting life at a big disadvantage – and that is even before they enter our often-dysfunctional school system. ECD aims to break this cycle by giving these disadvantaged children a chance in life through removing many of the obstacles to the crucial early development phases. In 2017 the Progress in International Reading Literacy Study (PIRLS) found that 78% of Grade 4 learners fell below the lowest internationally recognized level of reading literacy – effectively they cannot read for meaning. This is unacceptable and dooms these children to a lifetime of being uneducated and unemployable. Much of this poor performance starts with an ECD backlog. We fund 14 registered NPOs that broadly classify into ECD Curriculum Development: ECD Teacher Training, ECD centre roll-out, Reading Skills, Math and Science Teacher Training and Support, Social and Psychological Support in problem schools and 3 rural complete societal interventions (schooling, social work and health care).
  - An example of the social impact is Amazing Brainz, an ECD NPO where we funded the development and roll out of a more cost-effective version of their very sophisticated, but costly, ECD programme. They went from 0 to 170 informal play schools and groups since 2016, reaching 7,860 children with the help of 655 educators. Not only are these children now getting the benefit of proper ECD, but 655 educators have some form of meaningful employment.
  - The Hantam Trust in the Colesberg district is an example of a rural societal intervention. They started as a playschool for farmworkers' children but have grown over a number of decades to be a fully functional school with a health clinic and social workers looking after the families as well. Their results have been stellar in terms of the children's academic progress, but also in the reduction (to zero) in the prevalence of 'foetal alcohol syndrome' births in their catchment area and no teenage pregnancies. Likewise, Bulungula operates in the poorest district in SA in the Eastern Cape and iThemba operates in Sweetwaters, the SA district with the highest HIV infection rate in SA. In both cases we specifically fund their ECD initiatives.
- Through the 14 NPOs, we directly impacted 14,684 children in the 2019 financial year. The teachers that are trained through these NPOs impact a further 83,000 children. We are not claiming that the Abax Development Trust is solely responsible for all these children, but we are a critical portion of the funding required to reach them as we are meaningful donors to each of the 14 NPOs. We further influence the social impact by getting them to co-operate with each other where possible, and have more recently initiated a programme to get them to measure the longer term impact of their efforts – our aim being to dramatically improve the “read for meaning” score of these children at the end of Grade 4.
- External to the Abax Development Trust, we also:
  - Invest in two **Social Enterprise Development funds**, the Safrika and Enyosi funds that identify, train, and eventually place disadvantaged individuals into gainful employment.
  - Donate to the **Institutes of the Deaf and Blind** to train disabled people of colour so that they may enter the workforce.

- Donate to the **Love Trust** that trains Early Childhood Development teachers, not only in the curriculum, but also how to run a business so that they can both address the ECD need and create employment.
  
- We have 2% of our shares allocated to the **Abax Foundation** that focuses on environmental needs – this is for the eventual social benefit of all in SA. With SA's high unemployment rate and great poverty, funding for the environment is too often neglected. We believe that we must also invest in this area for the future of SA. We support, amongst others, the following groups:
  - Cape Leopard trust for the preservation of the Cape Leopard in its natural habitat.
  - Percy Fitzpatrick Ornithology Institute at UCT which engages in rare bird research.
  - Friends of the Liesbeek for the cleaning and greening of the Liesbeek river (an “urbanised” river that runs through our precinct) – the social impact is not just on creating a usable green strip through the neighbourhood, but also the employment of 20 previously unemployed individuals in the process.
  - Centre for Environmental Rights.