1. Background

Aon South Africa (Aon), as a leading financial services provider in South Africa, believes that it has a fundamental responsibility to assist in improving the lives of disadvantaged communities in South Africa. Aon has therefore developed a Corporate Social Investment (CSI) policy which is aligned to the company’s strategy and which contributes to the company’s overall mission and vision.

Aon’s Corporate Social Investment (CSI) Programme is a deliberate, focused, coherent and progressive programme that is:

- Well co-ordinated;
- Guided by a common policy framework;
- Has clear focus areas;
- Mutually beneficial;
- Seen as a strategic business function;
- Aligned to the core business.

2. CSI Programme Objectives

The following are commonly shared objectives of Aon’s CSI programme:

- To make a positive, sustainable and measurable impact on the communities in which Aon operates through investing in improving the quality of life of disadvantaged communities;
- To develop and empower disadvantaged communities in the social, economic and environmental spheres for the sustainability and long term growth of the country and in turn the company;
- To build and improve relationships with the company’s existing and potential stakeholders through forming mutually beneficial partnerships;
- To create and enhance the company’s reputation as a caring corporate citizen;
- To attract qualified, socially responsible staff to the company as well as retain and enhance the loyalty and pride of existing staff in the company;
- To increase customer goodwill and loyalty in acknowledgement of our CSI activities;
- To support the strategic positioning of Aon as a contributor to the development of disadvantaged communities;

3. CSI Policy

Policy Statement
Aon believes that being a responsible and contributing corporate citizen is necessary to the equitable development of South African and is therefore a key component of the company’s business strategy. Through its community investment strategy, the company is committed to the empowerment, development and growth of disadvantaged communities.

**Purpose of the CSI Policy**

The purpose of this CSI Policy is to:

- Outline the company’s CSI strategy and therefore its involvement in community development and upliftment;
- Set out the processes and procedures by which the company will identify, manage, and support its corporate social investment activities.

**Aon’s CSI Footprint**

- Investments will be made throughout South Africa, focusing on the communities in which the company operates.

4. **CSI Focus Areas**

The focus areas outlined in this policy indicate areas in which Aon shall direct their Corporate Social Investment spend. In allocating resources to the outlined focus areas, Aon shall be guided by the need to:

- Focus on communities in which the company operates;
- Emphasize investments in disadvantaged communities;
- Support programmes that engender empowerment and development.

**Programme Focus Areas**

- Education of children in Primary schools and High school entry level;
- HIV/Aids and vulnerable mothers and children;
- Sports-

**Education**

The educational inequalities caused by apartheid have resulted in less than a third of South Africa’s population having completed matric. This situation is exacerbated by the considerable barriers to learning: poverty, poor facilities, overcrowded classes, a lack of facilities and resources, illness and family problems.

Investment by the private sector and civil society is critical to redress the imbalances created by years of apartheid education. In a country where an estimated three million adults are illiterate and another eight million are functionally illiterate, there is a desperate need for interventions to increase access to education and promote community learning and literacy. South Africa needs educated, skilled and literate
citizens to help it grow and thrive: without access to decent schools, dedicated
teachers, books and other resources children face an uphill battle to educate
themselves and improve their circumstances.

Aon’s social investment programme attempts to address these needs by supporting:

- Projects providing literacy and numeracy education and leadership
  values for primary school educators and learners, with particular focus
  on supporting educators to assist learners with literacy and numeracy
  problems.
- Projects that are geared towards providing Early Development
  Childhood support in disadvantaged communities

HIV/AIDS and protection of vulnerable women and children

South Africa has one of the highest prevalence rates of HIV/AIDS worldwide, with an
estimated number of people infected with the virus that varies from 5.5 million to well
over 6 million with the highest prevalence rates in KwaZulu-Natal, Gauteng and
Mpumalanga. Furthermore an estimated 1.2 million South African children have been
 orphaned by AIDS, and this estimate is expected to reach well over two million by
2012 if infected parents are unable to access ARV medication.

Despite the government’s growing commitment to tackling these massive challenges,
state funding is insufficient to address all the needs in prevention, treatment, care,
support and research. There is an ongoing need for investment by the private sector
and the international community in supporting the work done by community-based
and non-governmental organisations and building their capacity to assist in
addressing these challenges.

Aon’s social investment programme aims to address the HIV/AIDS crisis by
supporting:

- Community centres that take care of HIV/AIDS orphans and those
  infected and affected by the disease;
- Centres that take care of women and children that have been abused
  and serve as places of safety.

Sports

- Through sports, values such as teamwork, discipline and passion are enhanced.
  One of Aon’s brand behaviours is teamwork and it resonates with everything that
  we do. The current sponsorship of Manchester United is also aligned to this value
  and also to a passion for winning.
- In disadvantaged communities there is focus on sports which forms part of
  recreation and getting the children off the streets and into structured sporting
  programmes.

Flagship Projects
Aon will be proactive in sourcing flagship projects within the education focus area, and will allocate the majority of the CSI budget to such projects. The balance of CSI funding will be made available for grants to smaller non-flagship projects.

In cases where Aon is proactive in setting up flagship projects, they will undertake to:

- Evaluate the projects in order to assess the need and ultimate impact of the projects;
- Draw up a formal contract with the flagship projects which will clearly identify the roles, rights and intended benefits that pertain to each of the parties involved.
- Ensure that flagship projects are sustainable in the long term, and achieve real and measurable developmental impact.
- Source a project/s that offer opportunities for employee involvement;

**Criteria for Selecting Projects**

All organisations and projects identified for financial support from Aon must:

- Have an ultimate objective of improving the quality of life of members of disadvantaged communities within South Africa;
- Focus on the disadvantaged communities within which Aon operates;
- Have an established track record and be able to demonstrate good internal controls and some form of sustainability;
- Be implemented by organizations registered as Non Profit Organisations with the Department of Social Development’s NPO Directorate and have Section 18(A) tax exemption status;
- Prove that more than 75% of the beneficiaries are black in accordance with the requirements of the scorecard of the Broad Based Black Economic Empowerment (BBBEE) Charter;

**General Exclusions**

Aon will not offer financial support to:

- Profit-making organisations and companies;
- Religious organisations for sectarian activities;
- Political parties or groups with partisan political affiliations;
- Labour movements/ Unions;
- Organisations that are not registered as Non Profit Organisations with the Department of Social Development’s NPO Directorate;
- Organisations that do not have Section 18(A) tax exemption status;
- Organisations that have been in existence for less than one year.

5. CSI Budget
Aon’s CSI expenditure will be calculated according to a specific formula of a minimum of 1% net profit after tax. The budget will run from the 1st January to the end of December each year.

The following split is proposed for Aon’s CSI budget:

- **Flagship Projects = 80%**
- **Non-flagship Projects = 20%**

- Non-financial contributions in terms of staff volunteer hours will form part of the allocated CSI budget.

6. Employee Involvement

- Aon realises the value of involving employees in its CSI activities and as such will endeavour to develop and implement an employee participation programme that will address the needs of the employees in a holistic manner whilst also achieving its corporate objectives.

- Aon will develop a formal employee volunteer programme where employees will be encouraged to volunteer at set days during the year at a range of community development projects. Employees will be entitled to one day’s paid leave per annum to volunteer at the selected projects.

- These volunteer projects will include the projects that the company’s CSI programme supports as well as staff-nominated projects which may fall outside the identified CSI key focus areas. All potential volunteer projects will be screened according to the criteria of the CSI policy.

- Employee volunteering support can include volunteer time, financial contributions and donations in kind. The volunteer needs of projects that the company is supporting will be identified and communicated to employees to ensure that employees are aware of the opportunities available.

7. Decision-making Structure & Roles and Responsibilities

The CSI role is part of the Transformation agenda and is coordinated from Aon South Africa’s Executive office. Volunteers from throughout the business will be sought and called upon from time to time.

The head of Transformation’s (who also plays the role of CSI coordinator) responsibilities will include:

- Determining the CSI policy and strategy;
- Determining the CSI budget and allocation;
- Approval of selected projects for investment;
- Drawing up of contracts/grant agreements with the selected projects;
• Monitoring the effectiveness of funded projects;
• External and internal CSI reporting;
• Co-ordinating the implementation of an effective CSI communication programme.

The CSI programme will be managed on a day to day basis by the CSI Co-ordinator whose responsibilities will include:

• Identifying, screening and selecting CSI projects;
• Managing CSI expenditure;
• Managing the implementation of selected projects on a day to day basis.

The Executive Committee will be responsible for:

• Final approval of the CSI budget;
• Final approval of the CSI policy;
• Monitoring the implementation and outcome of CSI initiatives.

8. Reporting Structure

**Project Reporting**

• Exact reporting formats and dates for report submission shall be set out in the grant agreements to be signed by each of the major projects funded.
• Volunteer projects supported through employee volunteer hours will be required to sign contract letters which will specify reporting requirements.

**Management Reporting**

The Transformation head will report to the Executive Committee as well as to staff on the selected projects’ progress.

9. Communication

• The CSI communication plan will communicate information on Aon’s CSI activities and successes both internally and externally. The aim of the communication plan is to enhance the company’s reputation for good corporate citizenship and ensure that staff, the Executive Committee, customers, investors, potential partners and all relevant stakeholders are kept informed.

• The development and implementation of the external and internal communication plan will be the responsibility of the Transformation head.
Internal Communication

The internal communication plan will provide feedback to staff and management on the CSI policy and strategy, projects selected, project achievements, and project volunteer opportunities. This will be communicated through the following mediums:

- Intranet;
- Corporate Communications email;
- Exco meetings;
- Management Communication Forums;
- Employee newsletter;
- Public space posters;
- Desk drops;
- Employee induction presentations.

External Communication

The external communication plan will create public awareness for the company’s CSI programme and their role in community upliftment through:

- Company website;
- Company brochure and other marketing collateral;
- Tender documents;
- Public Relations programme including press releases and publicity;
- Aon international publications.

10. Evaluation and Feedback

- An effective evaluation and impact analysis process will be developed and implemented and will apply to all selected projects. The measurement and evaluation of the projects will be defined within the grant agreements which set the framework for periodic evaluation.

- For flagship projects a pre-funding evaluation, site visits and end of contract evaluation will be conducted where a full impact analysis will be undertaken. Furthermore they will be required to have an in-built monitoring element for the programme being funded.

- The extent of evaluation on non-flagship projects will be determined according to the size of grant. A non-professional evaluation process will be used involving the use of application forms, conducting site visits and development of formal contracts with set reporting requirements.

- Full disclosure of grantees and the amount of grants made are in the best interest of Aon in terms of good Corporate Governance practices.
11. Effective Date

This policy is effective from the date of signature as shown below.

DATE REVIEWED: ____________________________

DATE APPROVED: ____________________________

APPROVED BY: ____________________________

REVIEWING AUTHORITY: ____________________________