

STORMSRIVER ADVENTURES SOCIAL RESPONSIBILITY PROGRAMMES

1. DECISION MAKING CRITERIA

A committee has been established comprising of 3 community representatives. 3 Company representatives to establish priority projects within the community of Stormsriver.

The major criteria identified are:-

1. Children – Welfare (feeding scheme)
2. HIV AIDS – support and excursions
3. Elderly – clothing distribution
4. Poorest of the poor – clothing distribution
5. Job creation for unemployed youth. – Skills development. Based on the 5 areas priorities are defined as to which projects we can afford to initiate and support.

Respected community representatives provide valuable input ensuring that the projects supported are priority needs within the local community of Stormsriver.

2. CORPORATE SOCIAL INVESTMENT INITIATIVES

2.1 Job creation and skills development

- * Skills development and job creation initiatives have led to introducing the Stormsriver community to the Eco Adventure Tourism industry since inception of the company in 1998.
- * 600 community members have been trained since 1998 at a direct cost of R1, 8 million to the company over the past 7 years. All training is self funded as THETA failed to deliver.

2.2 School feeding scheme

- * 186 Primary school children are provided with a meal 3 times a week. The annual cost to the company is R30, 000p.a. The programme has been running for 5 years.

2.3 Animal education and welfare programme

- * This initiative is particularly aimed at the children with the prime objective of creating self worth and caring. The programme involves dipping, mange treatment, sterilization campaigns and animal trauma treatment. 500kg of pet food is distributed monthly to the unemployed families as a part of the pet care initiative.
- * The positive impact has been significant by way of teaching children responsibility and has translated into a more caring community. The annual direct cost to the company is R30 000p.a.

2.4 **Environmental education excursions**

- * 1200 PDI school children are entertained annually on Adventure excursions. These educational excursions have a powerful environmental message. A direct investment of R20, 000 p.a. is made on Adventure excursions.
- * Many of the local children have never experienced the natural heritage of the Tsitsikamma and these excursions introduce them to their environment.

2.5 **Catering company**

- * Stormsriver Adventures has invested R220, 00 in the establishment of a community run catering company.
- * 10 Local women are employed and currently a PTY is in formation which will GIVE them an initial 40% share holding and down the line Total Ownership.
- * Stormsriver Adventures has carried the initial loses of this company and persisted with the initiative in spite of numerous challenges such as shrinkage and lack of control.

Stormsriver Caterers has now, after 4 years started to make a profit and generated a turnover of R1 million financial year end February 2007.

2.6 **Audiovisual SMME**

- * Stormsriver Adventures assisted in initiating the formation of a local SMME, "Adventure Footage" to supply DVD's to clients.
- * This SMME now employs 6 community members who have been trained in Film and Audiovisual production.
- * 'Adventure Footage' operates as an independent SMME contracted in to Stormsriver Adventures.

2.7 HIV AIDS / orphans

- * 200 HIVAIDS orphans are taken on Adventure excursions each year.
- * R5000p.a.is allocated to this cause
- * The Company's HIV/AIDS awareness Programme is being rolled out to the Community providing education through Staff members.

2.8 Mentorship of Township Home stay

- * The company has adopted a local SMME, Tsalanang Township B&B and is mentoring with the following:-
 - Marketing
 - Brochure development
 - Development of a Township Walking tour
 - Financial training
- * R5000 has been allocated to this mentorship

2.9 Clothing distribution to the poorest of the poor

- * 30 needy households have benefited from this programme receiving essential clothing.

The company invests R140, 000p.a. in social welfare programmes which amounted to 40% of the annual pre tax profit last year.

Fair Trade advised to consolidate expenditure on CSI as the amount will not be sustainable. The CSI Fair Trade score was 78, 6% at audit.

3. MEANINGFUL SUSTAINABLE BENEFITS TO THE COMMUNITY

3.1 Job creation and skills development

- * Stormsrivier Adventures has invested R1, 8million in skills development since inception of the company in July 1998 when the first 10 trainee guides were appointed.
- * The company has self funded 80% of training by way of borrowing as "THETA" did not deliver effectively in 2002/2003 and the THETA learner ships were abandoned as a result.
- * In excess of 600 community members have benefited directly by way of receiving entry level skills in Adventure tourism over the past 8 years. Many are now employed in the Tsitsikamma by various tourism enterprises such as The Bungy Jump operation, Hotels, B&B's and other

adventure related businesses. SANPARKS has also employed a number of these community members.

The local municipality also has “poached” 5 top administrative ladies.

- * The upliftment initiatives have also empowered community members to progress and advance to take up positions in the industry in other companies such as “The Big Swing” (Oriby gorge), S.E.A.L. Adventures Knysna and some have been contracted to work in Dubai as senior operation managers.
- * Stormsriver Adventures is directly responsible for R1, 4 million p.a. being distributed into the local community by way of salaries and wages alone.
- * The Socio Economic impact of company has been calculated at R4, 5million per year into the local micro economy of Stormsriver.
- * Peripheral job creation has also benefited the community. Bed nights have increased by 300% over the past 5 years from 200 to 600 as a direct result of the Eco Adventure attractions.
- * 20 unemployed community youngsters, mainly school leavers, are trained currently each year. Essential life skills are developed capacitating such youngsters to progress either within the company or to study further in other disciplines.

- 3.2 The C.S.I. commitment embroiled in our “10point commitment statement” is broad and multifaceted and is the fundamental “corner stone of the company. The benefits are tangible and significant.
“Fair Trade” C.S.I. rating: - 78, 6% (See attaché audit report).

4. **EMPLOYEE PARTICIPATION**

The C.S.I. philosophies embrace each and every staff member on a day to day basis. Our community guides conduct the educational excursions, assist with the animal welfare programme, deliver the meals to the school and train their own community members who enter the company.

“Fair Trade rating” – Workplace culture 84,4%.

5. **SMME DEVELOPMENT**

The following SMME development initiatives are on going

5.1 **Empowerment catering company**

- * 10 community women run their own catering company.
- * R220, 000 invested by Stormsriver Adventures over 4 years.
- * R1million turnover generated financial year February 2007. (S.R.A. paid this SMME R1million for contracted meals).

5.2 **Crafting initiatives**

- * Capacitation of 10 local crafters.
- * Marketing support for 50 women in the area by way of purchasing their needlework products.
- * Free supply of raw material to local crafters.
- * Identifying crafting talent within the community and capacitating such talent.
- * Providing a retail outlet for the sale of local crafts.

5.3 **Audiovisual SMME**

- * Stormsriver Adventures has assisted and supported the establishment of a local Audiovisual SMME "Adventure Footage cc".
- * This company is contracted to supply DVD's to clients and has created 6 new employment opportunities for community members.
- * The company has, in one year, achieved a turnover of R500 000 supplying 4 200 DVD's to clients.

5.4 **Mentorship of the only black owned B&B in the Village**

Mentorship includes the following:-

- * Financial contribution
- * Marketing material: - brochures, posters, website
- * Product development: - Township Tour
- * Networking: - Introduction to journalists and collaborative partners
- * Breaking down the barriers that exist between the existing "white" owned accommodation establishments

5.5 **Community car guard**

- * Opportunity created for a self employed car guard

5.6 **Backpacking SMME**

- * 'Tsitsikamma Backpackers' was established 18 months ago
- * This establishment is managed and staffed by local community members who have received extensive training and development
- * Four additional jobs have been created and training and mentorship is provided by Stormsriver Adventures

6. RETENTION OF EMPLOYMENT OPPORTUNITIES

- * 30 permanent sustainable jobs maintained.
- * 20 part time jobs created (fixed term contracts).
- * Sustaining the existence of a catering company employing 10 women.
- * 60% local procurement within a 20km radius of the company ensures peripheral job creation and retention.
This includes the local purchase of crafts, firewood, mineral water, vegetables, construction timber, meals for clients, beer and any other commodity available.
- * The company, through a committed marketing initiative attracts 30, 000 visitors to the Village per annum. This has increased from a base of 2,000 in 1998.
8% to 10% of total turnover (R8m p.a.) is committed to marketing the region and the product each year. (Marketing investment R500, 000 – R600, 000 p.a.). 800 Free educationals for tour operators, journalists, TV media, accommodation chains and other relevant role players are conducted each year.
The marketing initiatives are critical to sustain and grow business to the area which in turn relates to retention and growth of employment opportunities.

7. BLACK OWNED SHARE HOLDING:-

- * Currently none as the company has financed itself by way of personal loans, personal bonds and the tangible asset base is low in this type of Adventure industry.
- * The shares have no value and issuing shares to employees would amount to a share in the liabilities of the company and a token.
- * Consultation with all employees has confirmed that a tangible reward is a meaningful profit share scheme benefiting all, which has been introduced.
“You cannot eat a share certificate or clothe your family”.
- * Stormsriver Adventures is however a “excellent” BEE contributor based on the Tourism Score card rating.
The company BEE Score Card rating has moved from 65% (Good contributor) in May 2005 to 80% (Excellent contributor) in August 2007.
- * A black female Administration Director has been appointed to the Board of 4 Directors. 50% of the Directors are female of which 25% are Black.
- * 50% of Middle Management are black of which 40% are black women.
- * A Profit Share Policy ensures that all Staff members share fairly in Profits generated by the Company.

