

# CSI spend among South African companies totalled R10.9bn in 2022

According to the latest findings shared in the 25th edition of *The Trialogue Business in Society Handbook*, South African companies spent an estimated R10.9bn on corporate social investment (CSI) in the 2022 financial year. This represents a 6% increase from the R10.3bn spent in 2021, as net profit after tax (NPAT) recovers after the pandemic shock.



The silver edition of *The Trialogue Business in Society Handbook* features images by young artist, Amy-Leigh Braaf.

“The NPAT of listed companies was significantly higher this year, but the smaller increase in CSI expenditure can be attributed to the lag between NPAT and CSI expenditure. This bodes well for growth in CSI expenditure in 2023,” says Trialogue director Cathy Duff.

Most companies expressed optimism about social investments over the next two years, with 60% predicting there would be an increase in resources and budget for CSI.

## Non-cash giving increases

More companies reported making non-cash contributions (of products, services and time) during the current financial year – 77% of companies in 2022, up from only 29% in 2021. Non-cash giving as a proportion of total social investment increased from 13% in 2021 to 15% in 2022.

## Causes and geographies supported

Education was once again the most popular cause, supported by 98% of companies and accounting for an average of 44% of CSI expenditure, slightly more than the 39% of spend last year. Social and community development was the second-most supported sector (13% of expenditure), and food security and agriculture was once again high on the list of company priorities (10% of CSI spend) due to ongoing food insecurity in the country.

“The impact of the pandemic on sector allocations lingers, with more companies supporting disaster relief and food security and agriculture than prior to Covid-19,” says Duff.

More than half of CSI spend (68%) was allocated to projects with a national footprint. Gauteng was the most supported province in 2022 (31% of companies directed funding to projects in the province, which received on average 11% of companies’ CSI expenditure.)

This was followed by KwaZulu-Natal (supported by 28% of companies), Mpumalanga (20%), and the Western Cape (supported by 20% of companies). None of the companies surveyed in 2022 supported international projects, compared to 7% in 2021.

Globally, 62% of companies made at least one grant that had international impact.

“As social investments become more strategic, we can expect to see increasingly localised expenditure, where companies invest heavily in geographies around their operations, alongside more national expenditure that aims to have a systemic impact,” Duff explains.



Trialogue director, Cathy Duff, at the launch of the publication themed "Looking back, looking forward".

## NPOs most popular recipients of CSI funding

Non-profit organisations (NPOs) continue to be the most popular recipients of CSI funding, with 94% of companies directing an average 58% of their spend to NPOs in 2022. Despite the growing emphasis on the need for NPO resilience, nearly half of companies (45%) did not offer any form of capacity building to NPOs in 2022. Workshops and training programmes were offered by one-third (34%) of companies.

Flexible funding for internal capacity building was the most preferred type of support for 39% of NPOs, followed by pro bono support (20% of NPOs) and workshops and/or training programmes (15% of NPOs).

## Employee volunteer programmes increasingly popular

Three quarters of companies (75%) reported having employee volunteer programmes (EVPs) in 2022 up from 71% in 2021.

More than a third of companies (36%) and 16% of NPOs said the Covid-19 pandemic had resulted in all volunteer programmes stopping or being put on hold in 2022. The proportion of companies offering new online volunteering programmes increased from 18% in 2021 to 23% in 2022 – a pandemic trend that may be here to stay.

Most companies with EVPs supported company-organised volunteering initiatives (93%), fundraising/collection drives (83%) and time off for individuals during work hours (72%). Although most companies organise staff volunteering events, they are the least-liked type of initiative, selected by more than a quarter of NPOs (26%) as their least desired type of EVP.

NPOs selected employee match funding (20%), fundraising/collection drives (16%), give-as-you-earn (13%) and pro bono support (13%) as their preferred types of EVPs.



**New *Momentum Metropolitan Volunteerism Report* unpacks local state of volunteerism**

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## ESG becoming mainstream

In 2022, more than two-thirds of South African respondents (69%) said their company's overall business strategy very much integrates and responds to their company's environmental, social and governance (ESG) issues, in line with the 72% of global companies that reported strong integration. Most respondents in South Africa (69%) and globally (80%) expect ESG to be integrated across every department within the next five years.

Globally, 76% of companies increased the amount of public ESG reporting over the past year. Fewer South African companies (51%) increased their reporting and a larger proportion do not have formal ESG reporting (10% of South African companies versus 2% globally).

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